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# NAVAL POSTGRADUATE SCHOOL

## Monterey, California



## THESIS

### ECHOES OF REVOLUTION: IRAN'S PATH INTO THE MODERN WORLD

by

Michael J. McMillan

June 1998

Thesis Advisor:  
Second Reader:

Glenn E. Robinson  
Robert Looney

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The 1979 Islamic Revolution has become for Western scholars and native Islamists alike the defining event of the Iranian experience. Shrouded in the garb of political Islam, the revolution represents to the American mind a step backward into a future of pre-industrial authoritarianism—a rejection of modernity. This thesis asserts that the cycles of Iranian social and political upheaval are in fact outgrowths of changes in the state's socio-political structure resulting from a transition in the mode of production and subsequent capitalization of the economy.

The resulting attempts by an emerging middle class to balance political with economic viability consequently produced a series of structural corrections beginning with the Constitutional Revolution of 1906. While not the culminating event of Iranian societal development, the 1979 Islamic Revolution represents an opportunity for middle class hegemony.

The direct outcome of the Islamic Revolution—the circulation of elites, is likely to evolve into a power-sharing arrangement in which the market-driven interests of the modern middle class dominate. As a recognizably populist event, the Islamic Revolution ultimately represents Iran's path into the modern world.

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**ECHOES OF REVOLUTION: IRAN'S PATH INTO THE MODERN WORLD**

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Lieutenant Commander, United States Navy  
B.S., Rochester Institute of Technology, 1984

Submitted in partial fulfillment of the  
requirements for the degree of

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## ABSTRACT

The 1979 Islamic Revolution has become for Western scholars and native Islamists alike the defining event of the Iranian experience. Shrouded in the garb of political Islam, the revolution represents to the American mind a step backward into a future of pre-industrial authoritarianism—a rejection of modernity. This thesis asserts that the cycles of Iranian social and political upheaval are in fact outgrowths of changes in the state's socio-political structure resulting from a transition in the mode of production and subsequent capitalization of the economy.

The resulting attempts by an emerging middle class to balance political with economic viability consequently produced a series of structural corrections beginning with the Constitutional Revolution of 1906. While not the culminating event of Iranian societal development, the 1979 Islamic Revolution represents an opportunity for middle class hegemony.

The direct outcome of the Islamic Revolution—the circulation of elites, is likely to evolve into a power-sharing arrangement in which the market-driven interests of the modern middle class dominate. As a recognizably populist event, the Islamic Revolution ultimately represents Iran's path into the modern world.



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## EXECUTIVE SUMMARY

The unanticipated and unfamiliar character of the Iranian Islamic Revolution still haunts the American psyche. Volumes of scholarship have since 1979, attempted to isolate the causal factors and mitigating circumstances of the social upheaval which produced the Iranian theocracy. While undeniably significant, the Revolution was not the singular decisive event which it has so often been portrayed. The outcome of Iranian societal development was in fact determined by the course of Iranian modernization undertaken between 1921 and 1941, and the resulting evolution of structural relationships in the decades prior to 1979. The Iranian Revolution itself was in fact an echo of the Constitutional Revolution of 1906, and far from being a culminating event, represents the continuing evolution of the Iranian greater middle class into a position of political viability.

In *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, Barrington Moore Jr. establishes a methodological model of modernization by demonstrating the relationship between the nature of societal industrialization, and resulting political systems. His analysis focussed on the effects of industrialization models on three major societal elements: the landed elite, the bourgeoisie, and the peasant, and concluded that the resulting changes in elemental relationships in fact explained the final political outcomes.

This thesis conducts a similar analysis of Iranian modernization as it occurred in the twentieth century and examines the shifting roles of Iranian social elements in order to predict a final economic and political outcome. Relying heavily on the structural theory of Barrington Moore, this work concludes that the changes in Iran's mode of production orchestrated during its period of forced industrialization between 1921 and 1941, resulted in the mobilization of a newly created modern middle class which repeatedly challenged the state for a share of political control. Having been denied



viability by an increasingly autonomous state empowered by external influence, the modern element united with its traditional counterpart in order to remove the ruling elite. Under the banner of a highly politicized Islam, the greater Iranian middle class orchestrated a populist revolution, which despite its unconventional garb, is likely to yield a hegemony of the modern element.

Iran saw its first middle class revolution in 1906, during which a barely significant intelligentsia had allied itself with the established traditional middle class which in turn carried significant clerical influences. Following a successful bid for a constitution and parliamentary representation, the clerical elite, fearing a loss of political control, exercised its influence over traditional elements, severing the middle class coalition.

The resulting civil war provided an ample excuse for Britain and Russia to further their own objectives in Iran, and resulted in a decade of occupation. In their second bid for political viability, the still small modern middle class aligned itself behind a new power elite in the form of Reza Shah. This coalition of middle and landed elements produced a classic “revolution from above” and resulted in a capitalist-fascist system which restructured Iran through a process of state-driven industrialization. Ultimately denying the sponsorship of the growing intelligentsia, Reza Shah constructed a new state aristocracy, which in turn drove the landed elite into the ranks of the greater middle class.

Following the removal of Reza Shah by Britain and the Soviet Union in 1941, the now highly mobilized modern middle class conducted a successful bid for power through the nationalist movement of the 1950s. The British embargo of Iran’s nationalized oil industry, and the U.S. orchestrated coup of 1953 resulted not only in a loss of power by the intelligentsia, but in their subsequent harsh repression by the restored Iranian monarchy.

Through continuing emphasis on industrialization and economic liberalization, the middle class maintained economic viability in the decades between 1953 and 1979. Assuming a junior, yet traditional role in the coalition of middle class elements, the intelligentsia ultimately benefited from the opportunities presented by the 1979 revolution. Traditionally the senior partner in bourgeoisie coalitions, the clerical elite has lent an "elite air" to Iran's undeniably bourgeoisie upheavals. The resulting capitalist yet reactionary character of the Iranian state is consistent with Moore's thesis, and is yet likely to result in increasing viability of middle class elements facilitated by the necessity of economic liberalization.

In his theory of modernization, Moore defined the American Civil War as the final, decisive event that completed the restructuring of American society which had been initiated by the revolution. Seen in the light of this analysis, the Iranian Revolution was hardly the decisive, regressive event which it has so often been portrayed. As part of a populist revolutionary pattern, it instead becomes a modernizing event, which ultimately provides Iran's embattled middle classes with an opportunity to attain the political viability to match their economic power.



## I. INTRODUCTION

### A. BACK TO THE FUTURE?

Commonly regarded by prevailing U.S. political opinion as a rogue state and a regional "bad actor," Iran remains in the American mind, a symbol of terror and violent opposition to liberal Western ideology. Much scholarship reinforces this convention, painting Iran's revolution as a rejection of not only imperialism but of modernization, a condemnation of not only autocracy but political moderation, and a denial of not only Westernization, but Western association. Certainly, as is evidenced in some degree by all revolutionary movements, Iran's ideological revolutionary flame was fueled by an uncompromising messianic condemnation of its enemies. Too often however, the revolution of 1979 is evaluated as a regressive, or at the very least a restorative event, as a halt to rapid development, and a step backward into a future of authoritarian theocracy.

This thesis attempts to analyze the evolving nature of Iranian societal structure, and to trace the effects of interaction between significant societal elements in an attempt to present the Iranian revolution as a modernizing event which has ultimately *acceleraied*, not reversed the pace of progressive societal reform. A middle class revolution, the 1979 Iranian upheaval was the third and most significant reverberation of a reformation which began seven decades earlier, and would furthermore go a long way toward correcting the relationship between an entrenched *rentier* state and its society.

Studies of Iran's state-societal relationships have fallen into one of several categories: an analysis of the societal structure to explain the rise in popularity of the Islamic movement; an attempt to explain the failings of the state in accommodating the political aspirations of economically mobile elements; or an analysis of the effects of oil-based capitalism on societal elements. Such analyses have laid a firm groundwork for the structural argument, yet have stopped short of pursuing it to its logical conclusion: that



Iran's theocracy is merely an uncharted stop on a socio-political journey which is likely to culminate in middle class political viability.

## **B. SEEKING AN UNDERSTANDING OF REVOLUTION**

It is difficult to discuss the Iranian Revolution without addressing the central issue of revolution itself. Rather than a theoretical analysis of its causes however, the emphasis here will be on revolutionary patterns and outcomes. It is enough to provide a working definition which allows this thesis to explore the results of revolutionary activity. Conceptually, a revolution is a sudden and radical departure or change in an established pattern of activity.<sup>1</sup> A social revolution similarly incorporates a sudden and complete departure in which political and societal upheaval is charged with tumultuous and often violent class conflict. The result is sweeping and fundamental change to the very structure of a society, to its values, institutions, leadership, government, and elemental distribution of power.<sup>2</sup>

Having been thus defined, it is enough to generalize the causes of revolution in this manner: accepting (as do most academics) that violence is integral to social revolution, revolution on an elemental level originates from either irrational individual motivational dynamics,<sup>3</sup> or from the rational dynamics of group and elemental attempts at restoration of political "equilibrium." Violence and revolution are then either irrational responses to individual and consequently group psychological dynamics, or a rational means to the end of socio-political restructuring.<sup>4</sup>

In order to form an initial point of reference, one must momentarily move beyond causal and motivational factors and reexamine the question at hand. This thesis seeks to explain historical occurrences, and based on established patterns of activity, to predict

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<sup>1</sup> *The Merriam Webster Dictionary*, (Pocket Books, New York, 1975), p.600.

<sup>2</sup> Samuel P Huntington, *The Third Wave: Democratization in the Late Twentieth Century*, (University of Oklahoma Press, Norman, 1991), p.264.

<sup>3</sup> Irrational motivators such as frustration and discontentment encourage activities which may satisfy the emotional impulse, but not address the sources of such motivation.

<sup>4</sup> Theda Skocpol, *Social Revolutions in the Modern World*, (Cambridge University Press, 1994), pp.101-109.

future outcomes. Unlike a work of history which describes or recounts chronological events, or a pure theory which establishes causal relationships among variables,<sup>5</sup> this thesis will primarily be a historical *application* of theory, with the intent of then using the established methodology to, if not predict, at least shed light on future possibilities. This requirement necessitates the assumption of rational action. This is by no means a denial of the possible irrationality of individual motivations, decisions or activities, but is instead a fair assumption that the dynamics of societal groups, elements, and institutions is rationally based on straightforward and universal cost-benefit analyses. On the basis of this assumption, elemental interaction and conflict becomes the focus of this study.

This work will explain how the interaction of specific elements of society lead to revolutionary restructuring, and if in fact the nature of such restructuring follows any predictable pattern based on the relationship between the elements involved. With such elemental relationships established, it may then be possible to predict the nature of societal change that a given revolution will ultimately bring about.

### **C. THEORY: A BASIS FOR STUDY**

The selection or construction of an appropriate theory depends largely on the intent of the theorist. In any given area of study, a multitude of theories abound, each ultimately shaping both the selection and presentation of evidence which in turn color the conclusion. It is inevitable then that no theory can fully explain any occurrence or pattern of occurrences. With this inherent weakness, a theory must nonetheless be developed or selected in order to draw conclusions about the relationships which exist between events. It is critical therefore in the selection of a theory, to carefully determine specifically what one is attempting to explain.

When writing *The Third Wave: Democratization in the Late Twentieth Century*, Samuel P. Huntington sought to explain the process of democratization which occurred

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<sup>5</sup> Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*, p.xiii.

between 1974 and 1990. Though he particularly avoided discussing the future of democracy as it applied to global stability, his work nonetheless initiated a wave of its own: the study and prediction of democratic transition. Many theorists have since produced a storm of literature on democratization and its relevance. The current political vision in fact equates peace with democracy,<sup>6</sup> thereby wedding global stability and the *international system* to democratization and its processes.

While arguably desirable, democratization is however but a single possible outcome of the interaction of competing political and economic elements, and thus cannot be the basis for this study. In analyzing outcomes based on this process of interaction, all possibilities must be examined. *Modernization* is the process through which industrialization of the economy, and centralization of state power take place. Modernization itself then is an independent process which can exist in the presence of, and give way to a variety of political systems. The methods by which nations transform their economies from agrarian to modern industrial ones and subsequently consolidate their sovereignty are then significant to the outcome of their modernization.

The theory most clearly suited to application in this case must therefore explain modernization in all its possible forms, rather than a specific resulting economic-political outcome. In his landmark work, *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, (Beacon Press, Mass., 1966) Barrington Moore Jr. hypothesizes that relationships between social elements largely determines the economic-political outcome of the society in question. Moore's widely accepted theory will become the basis for this work, and will be discussed in significantly greater detail in the following chapter.

#### **D. OUTLINE**

Chapter II will constitute the body of the thesis. It is in this chapter that the

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<sup>6</sup> John J. Mearscheimer, "Why We Will Soon Miss the Cold War," *The Atlantic Monthly*, Vol. 266, No.2 (August 1990), pp. 46-47.

structural theory of Barrington Moore will be comprehensively examined and explained in order to demonstrate its applicability to the Iranian case. Also included in chapter II will be the methodology for analysis, including definitions and categories to be employed. Chapter II will conclude with a summary of the pertinent areas in each stage of Iranian socio-political development culminating with the 1979 revolution.

The next four Chapters (III through VI) will present each selected stage of Iranian development in detail, beginning with the transformation of Iran's mode of production which initiated the formation of a modern middle class, and concluding with the post-Khomeini era of transitional Iranian politics.

In the concluding Chapter (VII), the evidence will be summarized and presented within the context of the applied theory in order to enable a prediction of Iran's likely economic-political outcome.

#### **E. RELEVANCE IN BRIEF**

First and foremost, this is a work of scholarship rather than a discussion of political implications. Ultimately, the relevance of this thesis lies in its testing, validation, and application of an established developmental theory to a case other than for which it was designed. By successfully applying the thesis of Barrington Moore to the Iranian case, I seek to not merely prove the relevance of Moore's theory of development in general, but to additionally demonstrate the non-exceptionality of the Middle East in general theoretical application, and to finally predict a socio-political outcome on that basis.

While it is not my intention to discuss the policy implications of such a conclusion, there is little question that U.S policy toward the Islamic Republic of Iran has been based on America's perception of Iran's revolutionary government as a regressive force. While one can not assume that a moderate domestic polity will necessarily employ moderate foreign policy, it is certainly likely that a rising moderate element in the form of

an influential intelligentsia, will enable some normalization of international economic, and subsequently political relations. By demonstrating that the Iranian Revolution is a continuing modernizing event from which the intelligentsia will likely emerge in control, I am not suggesting that the United States should rush to reverse its containment policy. I am, however, suggesting that a change in America's perception of Iran may well lead to evolution of policy which strengthens the intelligentsia, facilitating its growing influence. This ultimately calls for a separate, and far more comprehensive policy analysis than I am prepared to offer.



## II. FRAMEWORK: LORD AND PEASANT IN THE MAKING OF MODERN IRAN

### A. AN EVOLUTION OF STRUCTURAL THEORY

Since it is my contention that the Iranian Revolution of 1979 was in fact a modernizing event, the process of modernization becomes the basis for study. In asserting that the Iranian modern middle class is in a process of mobilization which will likely culminate in its political hegemony, I am relying heavily on the work of Barrington Moore Jr., whose *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* remains the methodological model of societal transformation. In this landmark work, Moore attempted to link industrial progress to the evolution of particular political regimes, and further to identify the nature of such evolutions. Through an analysis of three major societal elements: the landed elite, the urban bourgeoisie, and the peasantry, Moore examined the process of modernization which occurred in six civilizations, and hypothesized that the relationship between elements could largely explain both the economic and political outcomes.<sup>1</sup>

A simplified depiction of Moore's basic structural theory is represented in Figure 1 below. The variables of Moore's thesis remain consistent in each modernization "model." There are two independent variables which in combination yield a dependent result. What Moore is ultimately seeking to explain is a final economic-political outcome, of which there are four possibilities: *capitalist-democracy*, *capitalist-reactionary*, *socialist-communist*,<sup>2</sup> or *stagnation*. That industrialization occurred at all, is a significant

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<sup>1</sup> Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, (Beacon Press, Boston, 1966), pp.xi-xix. In his preface, the author provides a concise summary of his structural theory.

<sup>2</sup> Adam Przeworski, *Democracy and the Market*, (Cambridge University Press, London, 1991), p.101. The term socialist is a definition of an economic rather than a political system. Przeworski states that socialism is in fact the economic alternative to capitalism, though it normally occurs in the context of communist or Marxist political structure. Moore does not in this category separate the two, claiming communism as both the political and economic outcome.

element of modernization. The degree of industrialization—the extent to which capitalization of the economy occurred, or what Moore describes more generally as the “commercialization of agriculture,”<sup>3</sup> is the best indicator of the more nebulous *strength of impulse toward modernization*, which is the first of Moore’s independent variables. The second variable is *type of revolution*, which prescribes three possible routes to modernization—*bourgeoisie revolution*, *revolution from above*, and *peasant revolution*. The fourth option is no revolution, which correspondingly leads to economic and political stagnation.

In simplest terms, varying strengths of modernizing impulses produce changes in economic and social structure which in turn lead to one of the three types of revolution listed above. The type of revolution which occurs reflects the relationship between various societal elements, and correspondingly yields an economic-political outcome.

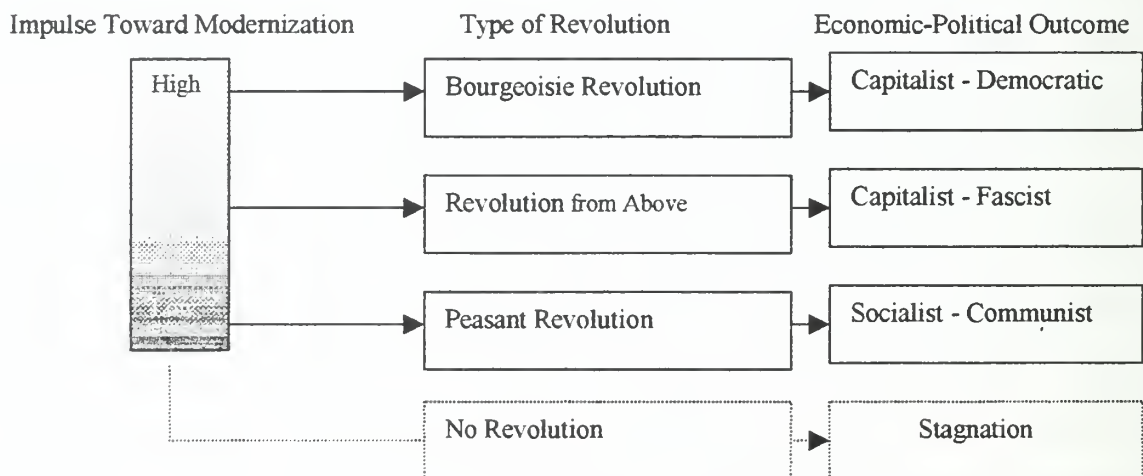


Figure 1. The Moore Structural Model of Modernization

Though not variables themselves, instrumental to the thesis are the roles of the three primary social groupings, most significantly that of the bourgeoisie. Moore

<sup>3</sup> Moore, p.419.

reinforces the Marxist assertion that the independent urban middle class has been indispensable in the evolution of democratic systems, or more explicitly put “no bourgeoisie, no democracy.”<sup>4</sup> It is no accident then that Moore’s “bourgeois revolution” is the path of democratic transformation to modernity. If similarly, a weaker bourgeoisie is forced to join forces with the more powerful landed elite in order to influence socio-political events, then a conservative revolution has been the outcome. Finally, in cases where the bourgeoisie is essentially marginalized, the peasants have initiated the process of modernization through revolution from below.

## **B. PATHS TO MODERNIZATION**

### **1. The First Route to the Modern World**

In “bourgeoisie revolution,” as executed in the United States, England, and France, the impulse toward modernization was strong. Though entered at succeeding points in time and from markedly different starting points, these societies nonetheless shared certain characteristics which ultimately resulted in capitalist democracies.

In England, the landed elite turned to commercial agriculture in order to generate the revenues required by the crown. First producing an elite base with resources independent of the state, this commercialization then led to the growth of communities which additionally met urban requirements. Naturally, the rural and urban requirements were in market conflict, by which the rural desire for more expensive food and cheap urban produce was at odds with the opposite urban need. While a convergence of interests between the landed elite and the urban middle class normally does not bode well for a democratic outcome, in the case of Tudor and Stuart England, this configuration ultimately produced parliamentary democracy. The dependence of the landed elite on the urban ranks for the exportation of wool, coupled with a mutual opposition to the royalty, fortuitously enabled the landed elite to assume bourgeoisie interests as their own, leading

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<sup>4</sup> Ibid., p.418.

through civil war to a bourgeoisie revolution. In Iran, the policies of the state would marginalize the landed elite, initially compressing it into the middle class, and finally allowing the state itself to become the elite's functional replacement. The resulting bourgeoisie revolution had an "elite air" which combined with a fragmented middle class yielded a more authoritarian structure.

Slavery in the United States, while an institution unfavorable to true democracy, was nonetheless a significant aspect of capitalization of the economy. This "most extreme form of repressive adaptation to capitalism"<sup>5</sup> would yet be corrected through the completion of the revolutionary process in the American Civil War. Thus the American landed elite which had embraced capitalism in its evolution, was an obstacle to democratic advance which ultimately had to be overcome. So too has the post-revolutionary Iranian elite in the form of its Islamic leadership embraced capitalist values of property ownership and accumulation of wealth, while remaining an obstacle to true democratic reform.

The capitalization of the economy in each of these instances was the critical factor. The peasant farmer in each case transitioned from merely producing for his landlord's and his own consumption, to producing for the market. The consequential evolution of an independent landed elite, a significant bourgeoisie, and a diminished peasant class then dictated the route of modernization. With an influential and mobilized bourgeoisie, the landed elite could either assist in revolution, or be consumed by it. The independence of the elite is significant in the process of capitalization, as is its subsequent weakening in the process of democratization. What is significant then, in the combination of capitalism and democracy, is the market, or "commercialization of agriculture," and the mobilization of the bourgeoisie against the aristocracy. In the Iranian case, we will see a forced industrialization which produced a significant yet

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<sup>5</sup> Ibid., p.421.

heterogeneous middle class, and a state which would come to embody the aristocracy of Moore's model.

## **2. Revolution from Above**

The second route to modernization which Moore describes is the "capitalist and reactionary" one, or "revolution from above."<sup>6</sup> In such cases, the previously alluded to "impulse toward modernization" was weaker than in bourgeoisie revolution, and while capitalization did take root, it did not contribute to the growth of an influential bourgeoisie. These industrial transformations occurred without a popular revolution and either left the social structure intact, or modified it in a way ultimately beneficial to the landed elite, producing a classically fascist yet capitalist structure as evident in the cases of Germany and Japan. The modernization impulse was similarly low in the Iranian case, though state-led industrialization did produce a significant middle class element. Still, the rapid industrialization and forced restructuring of the society led to a revolution from above between 1926 and 1940, in which the state was the only real beneficiary.

In Japan, the commercialization of the agricultural sector was accomplished while largely maintaining the preexisting socio-economic structure. In such "labor-repressive"<sup>7</sup> agricultural systems, the landed aristocracy was able to cement its position relative to the peasant both through traditional relationships and attitudes, as well as through the development of repressive political methods. While initially operating in opposition to, or independent from the state, the Japanese landed elite yet sought out the monarchy in order to facilitate the maintenance of its social and economic positions. The further incapability of the peasants to deny this feudal authority, enabled a conservative commercialization of the state. The utilitarian relationship between the landed elite and

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<sup>6</sup> Ibid., p.433.

<sup>7</sup> Ibid., p.434. Moore contends that a labor-repressive system is one in which laborers possessed little actual freedoms in terms of refusing jobs, relocating, or participating in the commercialization process. Such systems do not necessarily induce greater suffering on the peasants than other forms, but are distinct by the use of political mechanisms to force labor, rather than simply being dependent upon it.



the emerging commercial ranks, further led to an authoritarian regime with minimalist democratic features.

Beginning as a fairly integrated element of the state at the turn of the twentieth century, the Iranian landed elite would become severely weakened by state reforms. The landed elite would largely be forced down into the emerging middle class, which ironically enough had been created and strengthened by these same reform policies. The Iranian state would ultimately assume the role of the new aristocracy, and would weather numerous challenges of a coalescing bourgeoisie.

In “classic” revolution from above, the state ultimately becomes the political and economic instrument of the coalition between the landed elite and the industrial entrepreneurial class, or the bourgeoisie. This weak bourgeoisie is unable to generate enough power on its own to overcome either the state apparatus, or the landed elite, yet has enough of an interest in the status quo to resist a coalition with the peasantry. The state in turn, gathers and assigns the resources which facilitate industrialization, while (through its powerful bureaucratic apparatus) taming reactionary elements and the labor force. Such was the case in Iran during the first Pahlavi regime, though the state would ultimately sever its ties with the both the landed elite and the industrial entrepreneurial class in an attempt to centralize its position. Perpetuated through foreign intervention, and by growing oil revenues, the second Pahlavi regime would maintain its precarious position atop the Iranian societal pyramid until a coalition of elements conspired in its demise.

Both Japan and Germany required a repressive apparatus in order to pursue aggressive modernization while leaving social structure intact. This apparatus, which ultimately existed in military form is what constituted each nation’s fascist regime. These governments attempted a mode of industrial expansion which through its repressive and politically shortsighted nature led to levels of foreign adventurism that ultimately could

not be sustained. Iran's path was different only because of the undeniable influence of foreign powers, which first in the case of Britain and Russia removed a fascist-leaning Reza Shah during the early years of World War II, and second in the case of the United States, encouraged and enforced the militaristic inclinations of his successor. Unlike the cases of Japan and Germany, Iran's revolution from above would be corrected without the weakening of its regime by external pressures. It is perhaps for this reason, that a true bourgeoisie revolution would be required.

### **3. Revolution from Below**

The final route into the modern world is "peasant revolution." Such successful revolutions occurred in civilizations where the "agrarian bureaucracy" limited the industrial impetus to the greatest extent. In cases such as China and Russia, the resulting insignificant bourgeoisie left only the peasant class in a position to challenge the elite, producing a socialist-communist system.

A decline in the welfare of the peasant as a result of the encroachment of industry and commercialization is a plausible contributing element in such revolutions, as is the growth and relative size of the peasant populations. An agrarian bureaucracy with a centralized authority is ultimately most susceptible, by virtue of both its likely oppressed peasantry, and by their homogeneous nature, necessitated ironically enough by the centralization itself. In cases where no such centralization existed (such as India), the population was segmented and opposition generally emerged in the form of a new segment rather than a coalition of elements.

In China, the urban bourgeoisie remained so feeble and immobile that it was unable to form any alliances with competing elements. The failure of the landed elite to implement commercialization of its markets led to the perpetuation of a marginalized middle class, which had no independent political or economic power. The peasantry continued to exist with all its social organizations intact, under the repression of a

centralized regime. The position of the landlord as link between the regime and its labor force, was tenuous, since he offered little protection to the peasant from the state. The lack of commercialization of agriculture additionally led to greater repression of the labor force, since no alternative existed to merely squeezing more out of the peasant.

While distinct differences existed in the structure of the Russian peasantry, there too did the key elements of minimal commercialization, a dependent landed elite, and centralized authority combine to produce a peasantry which would struggle to overcome the burdens of its aristocracy.

### **C. STATE, SOCIETY AND REVOLUTION**

In analyzing the relationship between state and society, we must establish some clear definitions to facilitate a thorough understanding of the nature of the *state*. The state is a body which administers some level of authority over a territory, based upon its accepted and thereby "legitimate" exercise of force within that territory.<sup>8</sup>

In order that the policies of the state do not simply reflect its own interests, society continually attempts to influence the state through the exertion of diverse pressures (which vary in form from organizational activity, to lobbying, to demonstrations and violence).<sup>9</sup> An individual element's ability to effectively influence the state depends on many factors, including its strength (relative to other elements), its position in society (usefulness to the state) and internal characteristics (wealth, cohesion, and leadership).

There are many theories which outline the mechanisms by which different groups are able to exert influence over the state. Marxist theory for example relates a societal element's strength to its level of involvement with the mode of production. Pluralist theory would instead argue that varying elemental power, overlapping policies and

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<sup>8</sup> Max Weber, *Economy and Society*, (Bedminster, New York, 1968), pp.54-56.

<sup>9</sup> Samuel Huntington and Joan Nelson, *No Easy Choice: Political Participation in Developing Countries*, (Harvard University Press, Cambridge, 1976), pp.12-13.

membership, and variations in participation and leadership create a more homogenous influence over the state. Regardless of the theory, it is clear that elements of society will have varying success in their attempts to influence the state. Wealthier, more powerful elements may succeed through their ability to apply direct pressure to modes of production, security, or other interests of the state, while poorer, weaker elements must rely on collective influence and application of the political process for their attempts to succeed. Strength of any social element or group must be seen as a function of its ability to effectively influence the state apparatus.

The relative strength of a society's pivotal modernizing element, the bourgeoisie, is most significantly influenced by the society's mode of production. Moore has effectively demonstrated that a "vigorous and independent" bourgeoisie is promoted when the economy becomes commercialized, or in his specific examples, when the farmers produce not merely for themselves, but for the market. This impetus for commercialization is the rather nebulous one Moore has battled with in the "impulse toward modernization." The requirement for capitalization of the market stems from the landed elite and its relationship to the state. We can therefore see that while not variables themselves, the characteristics of and relationships between lord, middle class, and peasant are significant indicators of not only each variable, but ultimately the final result of the equation.

The second independent variable is the *type of revolution*. It is Moore's hypothesis that revolutionary type ultimately dictates subsequent economic-political structure. It is my contention that the relationship between revolution type and resulting structure is not so clearly deterministic. The nuances of elemental interaction as defined by relative mobilization and economic input can yield mixed results. As was the case in Tudor England, elements of the landed elite in coalition with the bourgeoisie can yield a democracy. Moore indicates that this unique case can best be explained by categorizing



England's as a bourgeoisie revolution, because of the "bourgeoisie air" that England's elite undertook. The categorization appears conveniently to be based on the final democratic outcome. It is just as likely, that based on sub elemental participation and mobilization, England's was a revolution from above in which the landed elite acquiesced to the popular revolutionary will of the bourgeoisie.

The act of revolution itself, or the razing of the political structure upon which a new one is constructed becomes Moore's defining characteristic between the conservative modernization of revolution from above, and an elite influenced bourgeoisie revolution. It is my contention that though a bourgeoisie revolution, the influence of the clerical elite lent an "elite air" to the Iranian case, which allowed elite domination of the post-revolutionary structure. Thus the true revolution from above which took place in Iran during the 1920s and 30s would only be partially corrected by the actions of 1979.

#### **D. APPLICATION**

*Social Origins of Dictatorship and Democracy* in essence theorizes that specific economic-political outcomes may be determined by the strength of, and relationship between social elements. This thesis will follow the same established line of reasoning, asserting specifically that Iran's future economic-political outcome can in fact be predicted by analyzing the relationships between the Iranian Republic's social elements, both historically, and in evolution.

Firmly grounded in Moore's structural theory, this analysis will employ only minor categorical deviations. The *revised structural theory* is illustrated in Figure 2 (on the following page). Rather than impulse toward modernization, *degree of industrialization* becomes the first variable.

Though it remains unchanged as the second variable, additional combinations exist between *type of revolution* and dependent outcomes. While it is still possible to differentiate revolution type by these broad categories, a further examination of sub-

elemental interaction will enable a more refined understanding of possible variations in economic-political outcomes. In this way, a bourgeoisie revolution can be seen (through its elite influences) to yield a capitalist-fascist outcome, and a revolution from above with a “bourgeoisie air” may, (as illustrated by Moore in the case of Tudor England) ultimately result in a capitalist-democracy.

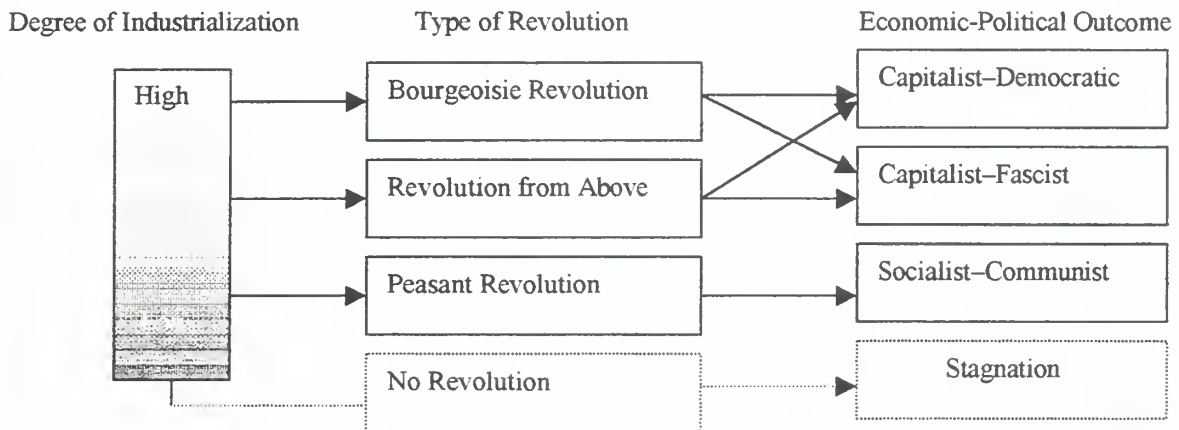


Figure 2. Revised Structural Theory of Modernization

An analysis of this type is inherently limited, due to the narrow context within which it is conducted. By examining the singular Iranian case, one negates the influences of global political evolution. Moore himself recognized this assumption of uniformity, in which a level playing field allows independent choice and prevents the undue influence of preceding events as endemic to his theory. Rather than simply being accountable to the structure of and relationships between a given state’s social elements, each process of modernization may in fact be significantly influenced by the routes of preceding states.

Writing in 1962, Alexander Gershenkron put forth a convincing argument that the competition from already industrialized states prevented late industrializers from adopting free market capitalism as their method of modernization, forcing instead the evolution of state-based capital accumulation, often expressed in the development of



socialist states.<sup>10</sup> This implies that dependent outcomes are influenced as much by historical timing of, and regional competition to industrialization, as by elemental considerations. Thus the choices of a developing Middle Eastern state would be significantly limited by the influence of already industrialized foreign powers, most of which would furthermore work to undermine its state-building potential. Still, Moore's structural theory survives on the basis of its demonstrated applicability across time and culture, leading me to attempt additional validation through application in the case of Iranian modernization.

Having accepted the relevance of his thesis, it must also then be accepted that the comparative nature of his methodology establishes its applicability outside of the specific developmental histories present in the nations which constituted his test cases. The argument has often been made however, that there exist cultural influences, elemental variations, and unique economic conditions in the Middle East in general, and Iran in particular which differentiate it from other regions of the world.

In his work *The Social Origins of the Modern Middle East*, (Lynne Rienner Publishers, Colorado, 1987), Haim Gerber suggests that the Middle East, while presenting a markedly different picture than any Moore had discussed, could still conform to Moore's methodology. Being an agrarian society with a low impulse toward modernization, peasant revolution would have been the predictable regional outcome. Instead, forced industrialization created a middle class which was characteristically ineffective, and either allied with, or was overcome by the landed (or new) elite, producing military or monarchical autocracies. Others contend that such alliances were furthered by the existence of the oil rent, which enabled debilitating economic intervention by the state,<sup>11</sup> and allowed the perpetuation of strong state regimes which

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<sup>10</sup> Alexander Gerschenkron, *Economic Backwardness in Historical Perspective*, (Belknap Press, Cambridge, U.K., 1962).

<sup>11</sup> Alan Richards and John Waterbury, *A Political Economy of the Middle East*, (Westview Press, Colorado, 1996), pp. 55-71.

operated with little or no accountability to their constituents. The autonomy of the state resulted in significant losses for elements which until that time, had enjoyed considerable influence over the state's actions. In the Iranian case, the landed elite was in essence driven downward into the middle class, and replaced by the state apparatus itself. Even the peculiarities of Middle Eastern cases can thus be granted greater relevance when viewed within a Moore context.

Claims of Iranian exceptionalism nonetheless abound. The Iranian Revolution continues to be portrayed as the first true religious revolution of the twentieth century. Was it not after all a restorative and reactionary revolution which sought to reject all facets of modernity in order to return a society to a simpler and less complicated time in its development? These common perceptions contain threads of truth which mask the true nature of Iran's revolution. The religious character of the Iranian Revolution is not in fact so defining. The ideology and intent while shrouded in religious zeal were not ancient but contemporary, addressing very modern social and economic conditions. The Iranian Revolution in fact developed in a context in which populist and dissenting movements have arisen all over the world.<sup>12</sup>

Islamic theology in fact does little more to define the Iranian Revolution than did for example the ideology of *Das Kapital* define the Russian Revolution.<sup>13</sup> Clothed though it was in the garments of Islam, it was not altogether different from other revolutions which have occurred throughout history. Ultimately then, there is little to support the exceptionality and inapplicability of the Iranian Revolution as a case for general theoretical study. The social evolution of the Iranian state can and should be examined in much the same way as have been the states of Europe and North America.<sup>14</sup> With all the

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<sup>12</sup> Fred Halliday, *Islam and the Myth of Revolution: Religion and Politics in the Middle East*, (I.B. Tauris, London, U.K., 1996), p.46.

<sup>13</sup> *Ibid.*, 43.

<sup>14</sup> This is not to suggest that cultural and even personal factors are insignificant, but rather to provide a basis for comparative study. There is no question that by omitting cultural arguments, an analysis can only

arguments (well founded, and inconsequential alike) against such generic application of developmental theory, Moore's methodology remains the most valid and applicable.

The ultimate test of theory is application. In this thesis we hope through the application of theory to demonstrate not only its validity, but the non-exceptionality of the region, while providing fresh insight into the continuing modernization of the Iranian state.

## **E. METHODOLOGY**

This thesis will be presented as a linear-historical study of a single case, and will focus on the relationships between Iran's three principle social groups during four distinct modern developmental periods, all in accordance with the structural theory of Barrington Moore.

### **1. Elements Defined**

The major groups and elements of Iranian society must now be categorized and defined. In order to analyze the actions and interactions of societal elements, it is important then to fully understand the forces acting upon and within that element. While primarily operating as a single entity, it is important to further segment each group in order to demonstrate its sub-elemental interests and contributions. A graphic depiction of societal elements and their compositions is presented in Figure 3 (on the following page). This chart does not accurately reflect proportional representation, nor does it attempt to illustrate the variable interests of specific elements, but is instead intended to facilitate a basic understanding of Iranian societal structure.

The vertical columns represent the basic groups, elements and sub-elements of Iranian society, their composition, and finally each element's significant period of activity relevant to the time frame of this study.

The landed elite is comprised for our purposes of two primary elements, the

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provide a single factor of explanation. This limitation must be accepted however, in order to provide a theory which is coherent and explanatory of more than any singular case.

*traditional elite* and the *state aristocracy*. The traditional elite consists of those members of society who are landed by virtue of tribal heritage or through affiliation with the state, and includes the *clerical elite*.

Primary Groups and Sub-Elements			Elemental Composition	Activity
Landed Elite	Traditional Elite	Clerical Elite	landed/ titled clerical element	1900-present
			tribal leadership/traditional landowners	1900-1964
	State Aristocracy		landed/influential through direct entitlements of state	1926-1978
Greater Middle Class	Traditional Middle Class		bazaaris, shopkeepers, traders craftsmen, low ranking clerics	1900-present
		New Intelligentsia	high school/university students and recent graduates	1970-1979
	Modern Middle Class (Intelligentsia)		lawyers, doctors, teachers, bureaucrats, state employees	1906-present
Lower Class	Urban Working Class		urban industrial workers, unemployed rural-urban migrants	1926-1979
	Rural Peasant		agricultural/ nomadic/ unemployed rural laborers	Insignificant

Figure 3. Iranian Societal Composition

The *state aristocracy*,<sup>15</sup> or new elite consists of those members of society who are (a) landed, through direct affiliation with the state (monarchy or bureaucracy) or (b) not

<sup>15</sup> While this term includes co-opted traditional and tribal nobility, it is primarily representative of state constructed aristocracy.

landed, yet possess significant political or economic resources through the same channels.

The clerical elite must be viewed as distinct due to its circumstantial deviations from the will of the state. In most cases, the clerical elite operated in direct affiliation with the state, and would be included in the broader traditional elite category. By virtue of its ties to, and direct income from the community however, the clerical element became one of the first independent groups in Iranian societal structure. Able to apply and gather resources and mobilize its constituents separate from the state, the interests of the landed Iranian clergy must be regarded independently.

The broadly categorized bourgeoisie of Moore's work must similarly be further segmented. The bourgeoisie is representative of the non-landowning, predominately urban dweller who participates in and ultimately benefits from the exchange of goods and services inherent in a free market system. While sometimes further exploiting the produce of the landed elite and rural peasant, the evolving bourgeoisie is normally either a manufacturer of secondary goods (i.e., a weaver, craftsman, baker, etc.) or a provider of secondary services (such as a money lender or tradesman).

With stimulation of the economy, improved farming and manufacturing techniques necessitated by market demand, and an increasing state and private bureaucracy required to support it, this bourgeoisie expands to include administrators, writers, printers, lawyers, educators, and a wide variety of social participants.

The bourgeoisie of Moore's writing constitute the *greater middle class* of this analysis. The middle class itself is made up of three elements: The *traditional middle class*, the *modern middle class*, and the *new intelligentsia*. The traditional middle class consists of bazaar merchants, craftsmen, low-level clergymen, and all secondary beneficiaries of, and contributors to the traditional economy.<sup>16</sup> In the Iranian case,

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<sup>16</sup> Mark Gasiorowski, *U.S. Foreign Policy and the Shah: Building a Client State in Iran*, (Cornell University Press, Ithaca, New York, 1991), p.29.



*bazaari* is the general term which encompasses this element. The *bazaari* is not an economic class in the classic sense, since the owner of the smallest shop, and the principal money lender are both considered members.<sup>17</sup> Bazaar means market, and implies all those elements of society which are involved in traditional or near traditional trade. The *bazaaris* constitute a petty bourgeoisie, further distinguished by their historical link with the clergy, or '*ulama* which developed during the Qajar period in the nineteenth century. The terms *bazaari*, and traditional middle class will be used interchangeably.

The modern middle class or *intelligentsia*, are the products of industrialization and bureaucracy and include lawyers, doctors, teachers, military leaders, writers, bankers and the like. The *new intelligentsia*, are the university, clerical, and secondary school students who would constitute the cadre of the Islamic revolution. Both of these groups may have connections to the bazaar, and may in fact be as close as one generation removed from it.

While distinct in notable cases in operation, resource, and influence, there exists significant overlap between elements of the greater middle class, just as there must be some between the three classes themselves. It is important to realize that while its integration with the mode of production and position relative to the state make the middle class operate for the most part as a single political entity, its variations produce independent interests and objectives. Economic gains, and a greater share of influence over the state would coalesce the middle class, while differences in routes for their achievement would fragment it. This recurrent ebb and flow of middle class homogeneity would prove significant in the development of the modern Iranian state.

The final element consists of the lower classes, which can be divided into two primary groups: the urban industrial workers, and the rural peasants. Unlike most historical cases, the Iranian revolution was ultimately an urban affair.<sup>18</sup> While the rural

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<sup>17</sup> Robert D. Kaplan, "A Bazaari's World," *The Atlantic Monthly*, Vol.277, No.3, March 1996, p.29.

<sup>18</sup> Theda Skocpol, *Social Revolutions in the Modern World*, p.245.



peasant will not be disregarded, it is his migration to the towns and cities, and his transformation into an *urban working class* which ultimately provides him with the ability to influence the state.

These three societal classes, and their six corresponding sub-elements will not be the only ones discussed, but as the pivotal groups they will be examined throughout the four separate phases of this analysis. It is these elements—their relative strength, evolution and interaction—which will provide the basis for comparison between each case, enabling a historic and ultimately future determination of economic-political structure.

## **2. Sub-Cases: Phases of Development**

Modern Iran began to take shape during the mid-nineteenth century. Transitioning from a system of oriental despotism to dependent capitalism, Iran began the twentieth century with a revolution for constitutional representation in 1906. This first revolution marks the initial developmental phase to be studied.

The small and feeble intelligentsia which orchestrated Iran's initial bid for parliamentary rule was unable to retain its position, and was further weakened, first through civil war, and ultimately through by the occupation of Iran by European Imperial powers. The second sub-case for study begins with the rise of Reza Shah in 1926, and culminates with the nationalist movement of the 1950s in which a highly mobilized intelligentsia seemed poised to grasp the reigns of Iranian political power. This effort would ultimately fail in the wake of foreign economic pressure, and direct political intervention in 1953.

Phase three examines the period from 1960 through the Islamic revolution of 1979, and includes the establishment of the Iranian Islamic Republic. The mobilized intelligentsia of this period lent its support to a political Islamic movement, erroneously believing in its ability to retain political influence upon the razing of the universally

despised monarchy.

The final sub-case will then analyze the period from the death of Ayatollah Khomeini in 1989 until the present, and will attempt to demonstrate the continuous and expanding mobilization of both Iran's intelligentsia and its political power. In the following section, each case will be briefly discussed in a more comprehensive structural framework.

## **F. IRAN: ECHOES OF A LONG FORGOTTEN REVOLUTION**

### **1. Phase I: The First Revolution**

As was the case in the greater pre-industrial world, Iran's economy in the nineteenth century was agriculturally based. Unlike Europe however, the state owned and controlled most of the land, renting or assigning it to individual lords from whom the state would then extract taxes in kind. In this despotic system, the prevention of a hereditary landed elite theoretically assured the state some level of independence and autonomy.

While not hereditary in structure, the landlords nonetheless were the most powerful social group, and along with tribal leaders and the clerical elite, formed the core of Iran's early nineteenth century upper class. The upper class was closely affiliated with the authoritarian state through patronage, kinship, and bureaucratic entitlements. This co-optation in combination with more explicit mechanisms of control and repression enabled the state to enjoy extensive and relatively unconstrained power. As singular ruler, the Shah could appoint officials (both state and clerical), raise and command an army, and grant and confiscate land and concessions. Still, the state's autonomy was limited by the landed element, upon which the state was dependent for revenues.

The clerical elite while at times theologically opposed to the secular state, nonetheless consistently contributed to its apparatus, legitimizing its rule in exchange for revenue collection, landholdings and influence.

Tribal leadership too exercised some marginal influence over the state by virtue of its armies, which were a challenge to the state's military authority. Through the middle 1800s, the Iranian state ultimately relied upon these tribal armies to enforce its regional policies, and provide for its defense.

Neither Iran's middle class nor its peasantry were able to exercise any influence over the state, nor did any formal organizational structure exist which permitted their participation. These elements were tied to the upper class in communal and clerical groups, and through patronage and employment.

Following the opening of the Suez Canal in 1869, the advances of competing Imperial powers forced penetration of Iran's economy. Iran became an exporter of agricultural products and an importer of manufactured goods. By the twentieth century, Iran's foreign trade had quadrupled.<sup>19</sup> This commercialization of Iran's marketplace subsequently changed its societal structural, leading first to a significantly invigorated landlord class. The sale of state land by the Shah cemented this gain, placing landholdings into ownership vice possession.

The employment and economic opportunities made possible by the expansion of Iran's agricultural sector prompted a reduction in nomadic tribal movement, resulting in a 25 percent reduction in nomadic population by 1900.<sup>20</sup>

The stimulation of the economy and growth of commerce additionally led to both a strengthening of the traditional middle class, and the creation of a modern middle class of bureaucrats and professionals required by the expanding bureaucracy.

As a result of these changes to Iran's economy and structure, the state had become far less autonomous, subject to the influences of both a truly independent upper class (now termed the landed elite), and foreign powers upon whom it was rapidly becoming dependent for loans and "rents". The traditional and modern middle classes, growing in

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<sup>19</sup> Gasiorowski, p.32.

<sup>20</sup> Ibid., p.33.

power and influence, were aligned against the state, its largely co-opted elite, and its foreign backers.

The clerical elite sided with the coalition of middle classes which were opposed to the foreign co-optation of the state for both economic and political reasons.<sup>21</sup> In the growing discontent, the influence of the modern middle class was evidenced in the nationalistic and democratic tones of protest newspapers, pamphlets, writings, and speeches. These primarily secular nationalists were joined by both the traditional middle class and the clergy in an attempt to influence state policies. General strikes in Tehran's bazaar in May and December of 1905 produced crowds of fourteen thousand people,<sup>22</sup> and unified the middle, and small urban peasant classes (the latter which was predominately mobilized by the traditional middle class and the clergy) in a demand for a constitution, and parliamentary representation.

Agreeing early in 1906, Mozaffar al-Din Shah ratified the constitution in October of the same year. The newly formed *Majlis* (parliament) enacted reforms reflective of the modern middle class' political agenda, modifying landholding systems and reducing monarchical power. The coalition between the traditional and modern middle class fractured, as debates in the *Majlis* became dissent in the streets of Tehran. The traditional middle class and the clergy opposed the secular intentions of the modern middle class. The clergy additionally opposed reforms which would ultimately weaken their landed and political positions. The modern middle class (which had spearheaded the Constitutional Revolution) was still too weak to retain singular political control. The peasant class once again responded to efforts by the clergy and bazaar, staging strikes and protests in Tehran's streets. The virtual civil war which resulted would provide impetus

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<sup>21</sup> Ibid., pp.33-35. The traditional middle class had become adversely affected by foreign concessions which unfairly favored foreign entrepreneurs. The tobacco protests of 1891 which lasted a year were typical responses to such encroachment. Nationalism and anti-imperialism became the political cornerstones of the opposition.

<sup>22</sup> Ibid., p.36.

for Britain and Russia to intervene, forcing the closing of the *Majlis* in 1911. The occupation of Iran would last nearly a decade.

A structural evaluation of this developmental phase demonstrates Moore's theoretical applicability. The commercialization of Iran's economy marked a strengthening of landed elements who responded to capitalist impulses, in turn producing a more vigorous traditional, and a new modern middle class. With the growth and mobilization of these classes Iran experienced a bourgeoisie revolution which was unfulfilled for two principle reasons: first, the predictable failure of Iran's middle class to maintain its homogeneity left the modern element too weak to retain singular control. Second, the intervention of Imperial powers prevented Iran's new structure from establishing conflict resolution methods, and experiencing normal socio-political development.

Figures 4-6 illustrate the evolving nature of Iranian state-society relations during the developmental periods in question.<sup>23</sup> The square enclosed field in each instance represents the Iranian state in entirety during the period labeled. Each circle within the state depicts a specific group or element significant to development within that period. Dashed lines on the circle indicate the permeability, or available access between the groups in question. Arrows indicate direct flows of influence between groups, while dashed arrows (present in figures 5 and 6) represent limited but available channels of influence.

Figure 4 (on the following page) specifically, depicts the four primary groups involved in societal restructuring between 1900 and the Constitutional Revolution of 1906. Note that the traditional elite while having access to the state, also maintained connections of influence with the traditional middle class, enabling it to sever the greater

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<sup>23</sup> Diagram concept is taken from Andersen, Seibert, and Wagner, *Politics and Change in the Middle East: Sources of Conflict and Accommodation*, (Prentice Hall, London, 1998), Figures 9-1, 9-2, and 9-3. While the authors use their diagrams to illustrate the influence of various groups in societies in differing stages of transition, the basic concept is the same.



middle class alliance following the constitutional movement.

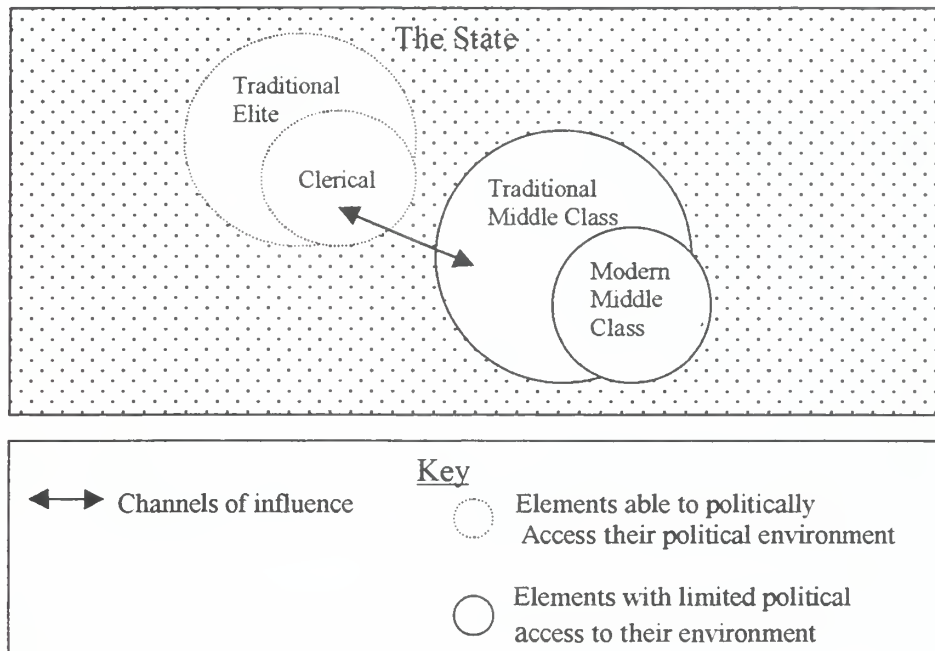


Figure 4. State-Society Structure during the Constitutional Period

## 2. Phase II: Nationalism, and the First Echo

In 1921, an army Colonel named Reza Khan led a coalition of officers and constitutionalists in a coup which resulted in his installation first as commander of the armed forces, then as prime minister, and finally as Shah in 1925. In his ascent to the throne, Reza Shah successfully solicited the support of both the landed elite and the modern middle class, the latter which having been betrayed by earlier allegiance with its traditional elements, chose in this instance to ally itself with a new power elite. The landed element for its part supported Reza Khan in his assumption of the monarchy after his brief flirtation with republican ideology. Fearing a Turkic-styled secular republic, the clerical elite overwhelmingly supported his ascension to Shah during the Constitutional Assembly of December 1925.<sup>24</sup>

<sup>24</sup> Said Amir Arjomand, *The Turban for the Crown: The Islamic Revolution in Iran*, (Oxford University



Once in power however, Reza Shah set about to construct a highly autonomous dictatorship, first constructing, then empowering a state apparatus which could enforce programs of modernizing and secularizing reform. A product of the Constitutional Revolution himself, virtually all of the new Shah's reforms reflected the interests of the *Majlis*' modern elements. Beginning with the military and the civil service, he then reformed the educational system, establishing vocational schools, libraries, foreign scholarships and adult education centers. A state-owned bank was created to promote industrialization, and by 1941, half of Iran's non-oil production and employment was provided by the state.<sup>25</sup>

In concert with these modernization efforts, the new Shah initiated a program of European styled nationalism, bent on creating an Iranian identity separate from Islamic influence. His chauvinistic and historically based nationalism incorporated the reconstruction of a dynastic connection to the Sasanid period, which achieved the dual purpose of creating a distinctly Persian (anti-Arab) national identity, while alienating the clerical foundation.<sup>26</sup>

The combined reforms of Reza Shah's regime had a significant impact on Iran's economy and social structure. In the first place, the mode of production continued its evolution from oriental despotism to dependent capitalism. The agricultural sector had become heavily commercialized, while its contribution to the Gross National Product (GNP) had declined from roughly 85 percent in 1900, to 50 percent by 1930.<sup>27</sup> The oil production and manufacturing sectors had grown significantly, as had service industries such as transportation, construction and communications. Manufacturing, which was negligible in 1926, had grown to 5 percent of GNP by 1947.<sup>28</sup>

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Press, Oxford, 1988), p.62.

<sup>25</sup> Gasiorowski, p.40.

<sup>26</sup> Said Amir Arjomand, p.193.

<sup>27</sup> Gasiorowski, p.41.

<sup>28</sup> Ibid.

As a result of these changes and direct entitlement reforms, the landed elite was significantly weakened. Reza Shah's system of direct entitlements created a new elite aristocracy which would be both his base of support, and his means of isolation from other societal elements. Thus the traditional landed elite was reduced in both resource and effective influence, essentially being driven down toward the middle class which conversely had grown in numbers and relative strength. The support of the modern middle class for these reforms led to its increased alienation from the clerical elite, in turn widening its separation from traditional middle class elements. In conjunction with the mobilization of the modern middle class, Iran experienced a growth of political expression, much of which was repressed by the Shah's state apparatus. When he was abruptly removed from power in 1941 by British and Soviet forces bent on securing a supply route for the war effort, internal conflict reemerged as a politically active modern middle class contested the landed elite for state power.

The alliance of middle class and new elite had produced a textbook revolution from above. The capitalist yet clearly fascist structure created by Reza Shah would be blunted by the intervention of Imperial powers. Though crown prince Muhammad Reza Pahlavi had been newly appointed Shah, his tentative leadership during this period led to state domination by the prime minister and *Majlis*. As numerous political elements competed for parliamentary control, the modern middle class dominated, with the emergence of the leftist Tudeh party, and the centrist Democrat, and Iran parties. From these, and other factional groups, a loose coalition named the National Front emerged. Following the young Shah's attempted manipulation of the sixteenth *Majlis* election, and his ill-timed presentation of an Anglo-dominated oil bill, the National Front conducted a popular campaign, installing Muhammad Mosaddeq as premier, and voting to nationalize the oil industry. Acquiescing to their demands, the Shah signed the nationalization bill into law on 2 May 1951.

The coalition which now controlled Iranian political power was similar in structure, though not in proportional composition to the coalition which had led the Constitutional Revolution in 1906. The significantly mobilized modern middle class was now the dominant participant, supported in its calls for nationalization by clerical and traditional elements. The factions represented within the modern middle class differed in their objectives, leading to highly contested reform measures. Mosaddeq maintained a moderate hold over these elements, which in competition had begun to exercise democratic conflict resolution methodology.<sup>29</sup> While the modern middle class dominated the *Majlis*, the significantly weakened landed elite representation struggled to retain influence. By 1952 however, Iran's modern middle class clearly possessed hegemony over the state.

The modern middle class would ultimately be thwarted in its second attempt at maintaining state power neither by the landed elite, nor by the traditional middle class, but by foreign intervention. The nationalization of its oil industry led to a confrontation between the Mosaddeq regime and the British crown, which stood to lose untold amounts in revenues. With the imposition of stiff economic sanctions, the British successfully undermined Mosaddeq's base of support, causing bitter internal disputes over command of the armed forces, cabinet appointments, and policy. A resurgent Tudeh party sought his elimination, as did pro-British elements of the National Front. In spite of this internal conflict, the modern middle class retained its hold on power, and for twenty-eight months it weathered the storm of foreign pressure.

The Mosaddeq regime and the National Front would by all estimation have survived the crisis had it not been for the direct involvement of the United States in the coup of 1953.<sup>30</sup> Ousting Mosaddeq from power, the United States reinstated the Shah,

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<sup>29</sup> Ibid., p.61.

<sup>30</sup> Ibid., pp.79-81. Mosaddeq's domestic position was far from precarious in 1953. Not only was his domestic opposition too weak to offer a serious challenge, but he had initiated an economic recovery program which by 1952 was modestly successful. Mosaddeq had initiated oil trade with Japan, and had

and subsequently assisted him in purging his domestic opposition. Once again, the politically active middle class was decimated. The successful nationalization and industrialization efforts of Reza Shah were thus neutralized by his son.

The Iranian Nationalist movement was the result of a bourgeoisie non-revolutionary event, initiated to correct a revolution from above. The revolution from above had occurred (in accordance with structural theory) without revolutionary overthrow, and in this peculiar case, was also undone without revolutionary action due to the removal of authoritarian leadership by external forces. In the subsequent power vacuum, the traditional landed elite having been thrust into a subservient position by the state's reform policies, caved in to the hegemony of the modern middle class, a hegemony only broken by Imperial intervention.

Figure 5 (on the next page) shows the nature of state-society structure during the nationalist period. The traditional elite began to be driven toward the middle class, having been replaced by the state aristocracy. The modern middle class dominated the alliance, while the clerical element retained its flow of influence with the traditional middle class. The urban working class increased in significance, remained tied to both the bazaar and the clergy, and was being wooed by the leftist factions of the intelligentsia.

### **3. Phase III: A Social Revolution by any other Name**

Following the CIA orchestrated 1953 coup, U.S. aid to Iran significantly increased.<sup>31</sup> Shah Muhammad Reza Pahlavi instituted a program of oppression which effectively eliminated existing sources of political opposition. The Tudeh party was outlawed and its members jailed, executed, or exiled. Other oppositional forces were disbanded or co-opted by the regime. While still growing in size, resource, and independence, the modern middle class had lost its political viability. Consistent with his

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reinvigorated Iran's non-oil industries. These implementations had benefited Iran's bazaar and industrial working class, actually broadening his domestic support.

<sup>31</sup> Ibid., p.94. Economic aid to Iran increased from \$9.7 million (1991 dollars) in 1953 to \$64.5 million given in 1954.

program of power consolidation, Muhammad Reza Pahlavi reinforced ties between the monarchy and the landed elite, increasing appointments, and compensations, while emphasizing his concordance with Islamic law.<sup>32</sup>

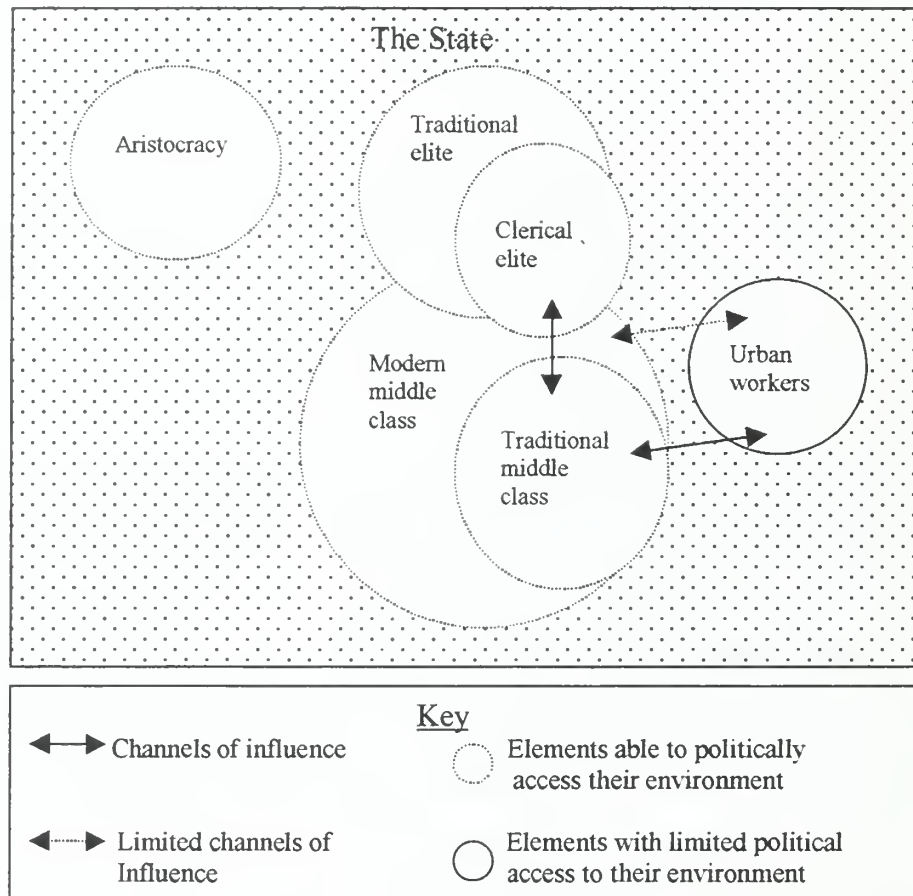


Figure 5. State-Society Structure during the Nationalist Period (1950-52)

Utilizing U.S. aid and World Bank loans, the Pahlavi regime instituted economic reforms in 1956, with the primary objective of expanding Iran's economic infrastructure, particularly its systems of transportation and communications. Public investment was channeled into the agricultural sector in combination with land reforms which freed

<sup>32</sup> In the period following his reinstatement, the Shah and his family attended Islamic worship services and made all required pilgrimages.



public land for private sector purchase and lease. Two more development plans subsequently initiated in 1963, and 1968 continued to emphasize industry and infrastructure. Urban centers had been significantly overloaded by the increasing migrant peasantry which continued to flood Iranian cities. Attempts to address the health, housing, and employment problems of the urban poor would largely be ineffective.

The extensive land reform program of 1963 was initiated to reinvigorate the agricultural sector in an effort to address rural unemployment issues. The White Revolution would provide land to more than half of Iran's rural peasants, though 75 percent of landowning peasants would still be unable to produce the minimum required subsistence when the program came to an end in 1971.<sup>33</sup> The stagnation of the agricultural sector had both economic and social effects. In 1937, agricultural production had accounted for between 40 and 50 percent of Iran's Gross Domestic Product (GDP). By 1972, it was a mere 17.1 percent of GDP.<sup>34</sup> Conversely, the agricultural labor force shrank from 63 percent of total laborers in 1949 to 37 percent in 1980.<sup>35</sup> In that year, 83 percent of remaining agricultural laborers were in the lower class as designated by subsistence income. As agricultural output waned, the urban service sector grew. Thirty-five percent of total urban growth was attributable to migrants. These migrants largely transitioned to low paying positions in manufacturing and service industries, adding to the unskilled labor force and becoming part of the urban lower class which grew in absolute size by 30 percent in twenty years.<sup>36</sup>

Uprooted and dispossessed, these migrants were provided for by informal associations called *hay'ats*. The *hay'ats* were private voluntary organizations most often coordinated by low ranking clerics, which met irregularly in homes and shops. By

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<sup>33</sup> Ibid., p.132. Despite the channeling of public investment into the agricultural sector, it continued to stagnate in the 1970s.

<sup>34</sup> Ibid., p.133.

<sup>35</sup> Alan Richards and John Waterbury, p.68.

<sup>36</sup> Gasiorowski, pp.147-148.



providing essential social support and services, these organizations were initially stabilizing, until the populist movement of the 1970s utilized them as a means of mobilization. By 1975, an estimated 12,300 *hay'ats* were operating in Tehran.<sup>37</sup>

Iran's overall urban population grew from 25 percent of the total population in 1946, to 45 percent by 1976.<sup>38</sup> The most significant growth occurred among the middle class, which expanded from 49.4 percent of total urban population in 1966 to 60.3 percent in 1976. The modern middle class accounted for the majority of this growth, increasing from 12.2 percent of the urban population in 1966 to 21.9 percent in 1976. The traditional middle class declined by just over one percent during the same period.<sup>39</sup>

The significance of this data is in the trend of expansion of Iran's modern middle class corresponding with mode of production and degree of industrialization shifts during the twentieth century. In a comparative analysis, Iran's urban middle class in the 1970s was of a similar size and level of income to those in Brazil, Mexico, and Turkey, placing it above those in Egypt, India, Pakistan, and Saudi Arabia.<sup>40</sup> The repressive apparatus of the Pahlavi regime financed with petro-dollars and U.S. aid conspired to keep Iran's mobilized middle class from formally engaging in political action.

The Shah's economic and reform policies produced few winners in other circles. The land reforms virtually eliminated large landowners, thereby critically weakening the elite, and making an enemy of the landed clerics. The landed elite had essentially ceased to exist as a distinct element, and was compressed (with its interests intact), into the middle class. The monarchy and its constructs always occupying the highest plane of Iranian society, now had complete autonomy and singular control.

The failure of the regime to extend political viability to Iran's modern middle

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<sup>37</sup> Guilain Denoeux, *Urban Unrest in the Middle East: A Comparative Study of Informal Networks in Egypt, Iran, and Lebanon*, (State University of New York Press, Albany, New York, 1993), p.157.

<sup>38</sup> Gasiorowski, p.148.

<sup>39</sup> All data from Gasiorowski, pp.148-149.

<sup>40</sup> Ibid., p.151.

class negated its economic co-optation of that class. By further utilizing its repressive apparatus to eliminate formal middle class avenues of opposition, the Pahlavi regime left open only the most radical methods of political action.

While the industrial working class grew, a lack of social service benefits kept the rural and urban lower classes economically depressed. As had occurred previously during the nationalist period however, the urban working class acted more out of loyalty to its traditional middle class sponsors than out of its own interests, ultimately failing to become a viable force for its own economic and political development.

It is unnecessary here to provide more than a skeletal chronology of events leading to the 1979 Islamic Revolution. Though opposed to the regime, Iran's formal clerical element remained largely apolitical during the critical decades of the 60s and 70s. A new ideological force was forming around the unifying message of Islam. Ayatollah Khomeini, a previously little known cleric had risen in 1963-64 to lead urban masses in a challenge to the monarchy and its policies. Instigating several moderate demonstrations, he was exiled first to Iraq, and finally in 1978 to Paris, from where he was able in relative freedom to fuel the home-fires of dissent. He would realize the potential of Islam as a political ideology, addressing his message of revolution and sacrifice to Iran's low-level clergy, and always conservatively-minded traditional middle class.<sup>41</sup>

Despite its religious dimensions, the Islamic movement was ultimately populist, in that it represented a movement of the traditional middle class which mobilized the urban masses against the new aristocracy, the regime, and external forces.<sup>42</sup> The urban peasants and industrial working class having been co-opted by clerical elements became the foot-soldiers of the revolution. The cadre was the new intelligentsia, most of whom,

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<sup>41</sup> Hamid Dabashi, *Theology of Discontent: the Ideological Foundations of the Islamic Revolution in Iran*, (New York University Press, New York, 1993), p.450.

<sup>42</sup> Ervand Abrahamian, *Khomeinism: Essays on the Islamic Republic*, (University of California Press, Berkeley, CA, 1993), p.2. The author contests that "populist" is far more appropriate a description of the Iranian Islamic movement than "fundamentalist" which besides being inaccurate, carries negative Western implications.

university or trade school students, were sons of the bazaar.

While predominately and historically secular, the modern middle class had yet been prepared for the political message of Khomeini. Willing to view Islam as a “political party” and an ideology of revolution rather than simply as a theology,<sup>43</sup> the modern middle class united with the traditional middle, and clerically mobilized urban peasant classes in an overthrow of the monarchy. Ultimately, following a brief flirtation with moderation, an authoritarian political system was replaced by a clerical dictatorship.<sup>44</sup>

As a spokesman of the traditional middle class and a descendent of the clerical elite,<sup>45</sup> Khomeini not surprisingly emphasized rights of property and ownership in his populist message. Though traditional in culture and theology, the *bazaaris* nonetheless were concerned with property and possessions. In order to protect their claims, the traditional middle class could not appeal to the secular notion of natural law, as had the philosophers of the Enlightenment. Instead, the traditional middle class had to appeal to divine law, and in so doing empowered the clerical element<sup>46</sup> which retained the interests and objectives of its previous socio-political status. This was a bourgeoisie revolution with an “air” of the clerical landed elite.

In implementation, Khomeini would fail to accommodate secular forces, leaving the intelligentsia once again economically charged, but politically impotent. Only in this light can the Iranian Islamic Revolution be seen as a step backward. A socio-

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<sup>43</sup> Dabashi, pp.110-130. Having witnessed the difficulties of transplanting secular political ideologies into “a religious world”, Shari’ati had prescribed the construction of Islam as an ideology of revolution, and a complete political party in order to compete with the ideologies dominant among the intelligentsia. His “Islamicized Marxism” would have unifying ideological appeal among the intelligentsia during the 1970s. By politicizing Islam, Shari’ati prepared the intelligentsia for the ideology of Khomeini. Looking for a revolutionary leader, he prepared them for a revolutionary cleric.

<sup>44</sup> Halliday, p.69.

<sup>45</sup> Though himself from a landed and clerical family, the term here does not represent the established ulama, but the political ulama which was elitist in its focus on consolidation and maintenance of power.

<sup>46</sup> Abrahamian, *Khomeinism: Essays on the Islamic Republic*, p.44. While maintaining it as a bourgeoisie revolution, the author in his explanation of property issues in fact lends credence to this thesis by demonstrating the clerical influence which permeated it.

economically developed society had produced a revolutionary overthrow made possible by the mobilization of that element of society which had most significantly benefited from the actions of the *ancien regime*.<sup>47</sup>

In this the third sub-case, Iran's intelligentsia had followed a pattern of expansion and mobilization which mirrored changes in the mode of production and degree of industrialization during the twentieth century. In this instance, a dominant modern middle class had acquiesced to traditional elements influenced by an elitist revolutionary ideology. Thus the shared economic and political interests of the greater middle class became linked with the interests of a consistently influential clerical element. It has been a constant source of conjecture why Iran's modern middle class would yet again succumb to an alliance dominated by elite elements. The answer becomes clear when the middle class is regarded as singular entity, influenced by the divergent views and ideas of its sub-elemental membership. The modern middle class ultimately had its roots, and indeed many of its existing social connections in the bazaar. The bazaar was ultimately the seed from which the greater Iranian middle class emerged. The compression of the clerical element into the middle class strengthened the traditional ties which had existed between the bazaar and the clergy, creating a single class with dual sources of strength and influence. The revolutionary actions of either sub-element would initiate the supporting actions of the other, yet they would ultimately compete for control of the "vehicle" of revolution. Suffice to say it is quite likely that the intelligentsia hoped to deflect power from the clerical element following the revolution,<sup>48</sup> and believed in its ability to at very least retain political influence. It was an unexplored path toward modernization.

Yet modernization it was, for with its obvious failings, the revolution righted the relationship between the Iranian state and society. The traditional landed elite succeeded in its bid to oust the new aristocracy, restoring, and ultimately advancing its influence

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<sup>47</sup> Ibid., p.47. The author for this reason categorizes this as the "world's first modern revolution."

<sup>48</sup> Ibid., p.57.



over the state. The greater middle class stepped closer to the reigns of political power than it had been since the nationalist period of 1951-53, and previously denied levels of political participation were attained by the masses. There is little argument that the Iranian revolutionary “vehicle” veered off established paths of industrial and political reform, but it is just as clear that reform, not stagnation was the ultimate revolutionary objective.

Figure 6 depicts the Iranian state-societal structure prior to the revolution of 1979. The state had become autonomous from all but its constructed aristocracy. The traditional elite had been virtually eliminated, while its remaining viable segment, the clerical elite had been forced into the middle class. The urban working class which remained closely

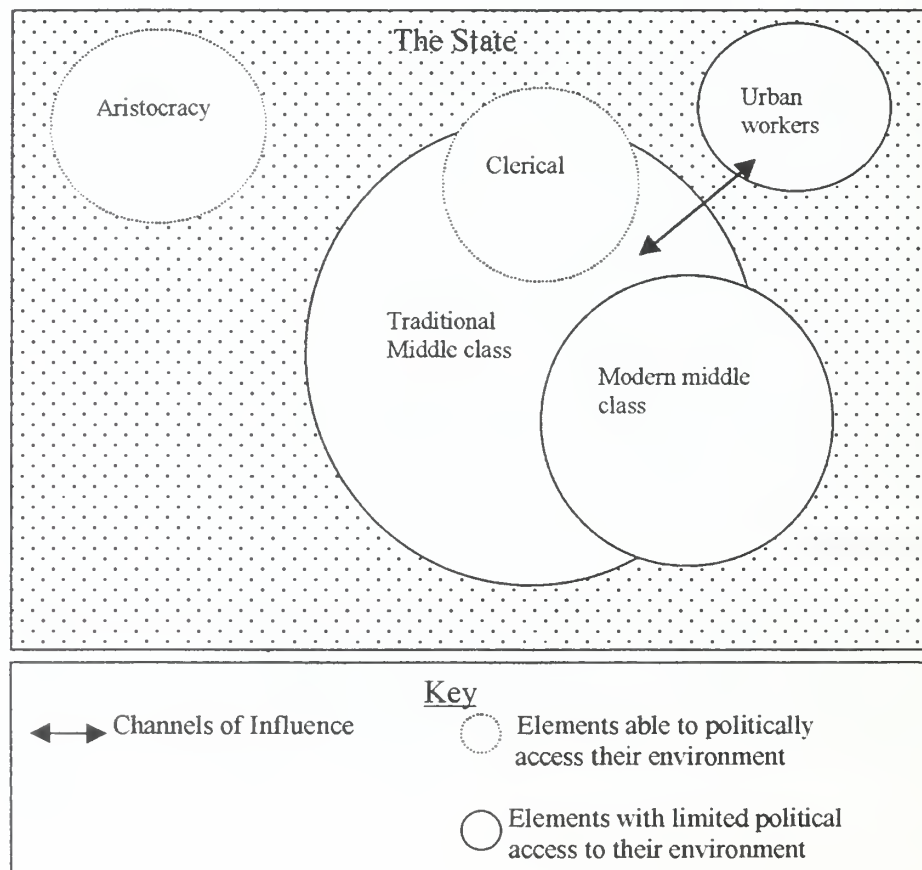


Figure 6. State-Society Structure during the pre-Revolutionary Period (1970-1979)



allied with the bazaar, had been stabilized by its connections to the clergy through *hay'ats* and mosques, and was mobilized through these same channels. While sharing relatively few of their political interests, the urban workers became revolutionary foot-soldiers of the middle class.

#### **4. Phase IV: Toward an Evolutionary Transfer of Power**

In the decade following the Iranian Revolution, the charismatic and repressive leadership of Ayatollah Khomeini ensured the political dominance of conservative elements. The popular base, which had at highest estimates involved one-fifth of the entire Iranian population in direct revolutionary activity, predictably eroded during the post-revolutionary power struggle, leaving only the committed core of Islamic supporters.<sup>49</sup>

The revolution and its repercussions (the taking of U.S. hostages, and subsequent trade sanctions and freezing of assets) coupled with the costly effects of the eight-year war with Iraq affected both the Iranian economy and society. The economic policies of import compression, economic isolation, and a reliance on traditional bureaucratic arrangements devastated the Iranian economy in the post-revolutionary decade. Rising inflation, foreign debt, an inadequate labor force, shrinking capital stock, and unproductive rent-oriented enterprise were the mark of Khomeini economics.<sup>50</sup>

Disastrous though they were, the policies of the Khomeini regime were consistent. The circle of domestic mobilization fueled by international confrontation in fact enabled Khomeini to consolidate his power, and provided a justification for elimination of opposition forces. The expected post-revolution confrontation between secular and Islamist elements degenerated instead into rivalries among the secular

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<sup>49</sup> Ahmad Ghoreishi and Darius Zahedi, "Prospects for Regime Change in Iran," *Middle East Policy*, Vol. V, No.1, January 1997, p.86. It is further estimated that the theocracy had the support of less than 5 percent of the populace.

<sup>50</sup> Massoud Karshenas and M. Hashem Pesaran, "Economic Reform and the Reconstruction of the Iranian Economy," *Middle East Journal*, Vol. 49, No.1, Winter 1995, p.89.

elements themselves, which coupled with leadership of Khomeini, enabled the Islamic tendency to prevail.<sup>51</sup>

The creation of a new Iranian constitution in 1979 reflected Khomeini's vision of *velayat-e-faqih*, or Rule of the Jurist, and was very different from the "Islamic supervision" provided for in the 1906 constitution. It was intended to lead to a truly Islamic, and thus legitimate government which in turn promised to create an economically viable and independent Iran in which economic prosperity, equity and social justice would prevail. *Velayat-e-faqih* in fact inspired a debate focussing on the Islamic grounds for a limitation of the regime's power. The debate ended nearly a decade later when in 1988 Khomeini declared his government a "supreme vice-regency bestowed by God."<sup>52</sup> This created a new context, using Islam to overcome Islamic constraints.

*Velayat-e-faqih* had ultimately been employed to provide a constitutional support for Khomeini's dictatorship. His claims to leadership derived not from the religious qualities which he had himself defined as prerequisites, but from his purely political role as the leader of the revolution.<sup>53</sup> It would therefore not be until after his death on 3 June 1989 that evolutionary political change would become possible.

The transition to the post-Khomeini era began following amendments to the constitution in 1989 which redefined the powers of the *faqih*, de-emphasizing his religious qualifications, and removing his requirement to be a *marja'-ye taqlid* (source of emulation). Separation of powers within the *Majlis* was redefined, as was the post of popularly elected president. Unlike the abolished prime minister, the president did not have to be approved by the *Majlis*, and would be solely responsible for affairs of the

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<sup>51</sup> Shireen T. Hunter, *Iran After Khomeini*, (Praeger Press, and the Center for Strategic and International Studies, New York, 1992), p.14.

<sup>52</sup> Halliday, p.69.

<sup>53</sup> Hunter, p.19.

state. Ali Akbar Hashemi Rafsanjani became the first presidential leader in the post-Khomeini era. A cleric known for economic and political skill, he had been central to Iranian decision making from the regime's inception, and was elected with 95 percent of the popular vote.<sup>54</sup> A fiscal moderate whose own middle class roots were firmly grounded in the economic interests of the marketplace,<sup>55</sup> he prioritized the reconstruction of Iran's economy, favoring free market reforms, privatization, and industrial advancement.<sup>56</sup>

The man selected to fill Khomeini's shoes—Ayatollah Khamenei—had additionally been favored by the imam himself. Though few ideological differences initially separated the two new leaders, Khamenei became a rallying point for Iran's traditional conservative elements which felt threatened by the president's economic reform policies.

Still, Rafsanjani was able to carry out a wide range of programs which have reversed Iran's economic course. Economic growth was 4.2 percent for 1995-96, and was estimated by the central bank to have been 4.5 percent in 1997. Foreign debt hovers at \$25 billion, but is being paid off in an organized fashion. Annual inflation was 27 percent for 1997, less than half what it was in 1996, and private investment has significantly increased to approximately 23 percent of GDP.<sup>57</sup>

Rafsanjani's first five-year plan (1989-1994) rebuilt the nation's infrastructure including communications, power, and educational systems. Even more impressive was Iran's voluntary adoption of International Monetary Fund (IMF) restructuring rules without asking for IMF loans in return. Central to such programs however is an open market, which continues to pose difficulties. Foreign investment is negligible, the regulated monetary exchange rate is too high, and privatization is far less effective than

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<sup>54</sup> The Economist, "Children of the Islamic Revolution," *The Economist*, January 18, 1997, p.5.

<sup>55</sup> Rafsanjani's family controls much of Iran's lucrative pistachio industry.

<sup>56</sup> Farzin Sarabi, "The Post-Khomeini Era in Iran: The Elections of the Fourth Islamic Majles," *Middle East Journal*, Vol. 48, No.1, Winter 1994, p.91.

<sup>57</sup> The Economist, "Children of the Islamic Revolution," p.12.

reported. By most foreign estimates, 86 percent of Iran's GDP is still produced by state owned enterprises.<sup>58</sup> In 1996 the government issued in excess of 250 regulations on imports and exports, keeping much needed currency out of reach.

Iran's modern middle class nonetheless remains unquestionably economically viable, and has continued its political evolution. Since 1980, *Majlis* elections have occurred every four years between March and May. The 270-member *Majlis* is officiated over by a twelve member Council of Guardians, six of whom are clerics appointed by the *faqih*.<sup>59</sup> The Council screens the "credentials" of would be candidates, and traditionally declares half of them "unfit."<sup>60</sup> Ultimately however, the Islamic regime is far more politically tolerant than Iran's previous one. Though regulated, Iran's parliamentary activity is participatory and active, and even dissenting opinions are tolerated as long as they pose no challenge to the survival of the system.<sup>61</sup> Since Khomeini's death, secularism is rising, and both the clerical elite and secular intelligentsia are increasingly willing to contemplate a pluralist option to Iran's theocracy. Abdolkarim Soroosh, arguably the Islamic Republic's most vocal critic has declared that "the clergy who made the revolution are intellectually stagnant."<sup>62</sup> This has placed the revolutionaries in the unenviable yet inevitable position of having become what they sought to eliminate.

In the first *Majlis* election following the death of Khomeini, pragmatists under Rafsanjani's tutelage gained solid control of the legislature in 1992. An estimated 59 percent of Iran's eligible population actually voted in the election,<sup>63</sup> which yielded a *Majlis* with two-thirds new membership. Clerics in the fourth *Majlis* decreased from 81

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<sup>58</sup> Ibid.

<sup>59</sup> The remaining six members are lawyers appointed on recommendation from the High Council of the Judiciary.

<sup>60</sup> Sarabi, p.94.

<sup>61</sup> Ghoreishi & Zahedi, p.98.

<sup>62</sup> Milton Viorst, "Changing Iran: The Limits of Revolution," *Foreign Affairs*, Vol. 74, No.6, November/December 1995.

<sup>63</sup> Sarabi, p.102.



in the previous parliament to 66. Nine women won *Majlis* seats, compared with four in previous elections.<sup>64</sup> A significantly higher percentage of *Majlis* electees were well-educated members of the intelligentsia, who had freely advertised advanced educational degrees from American and other Western universities.<sup>65</sup>

Though the clerical elite supported by the traditional middle class rallied to prevent similar advances in the second round of the fifth *Majlis* elections in 1996, far more significant were the results of the 1997 presidential elections. Until the announced candidacy of Mohammad Khatami in January 1997, most voters were resigned to the inevitable presidential succession of then *Majlis*-speaker Nateq-Nuri. Khatami's overwhelming victory in May demonstrates a significant gain in the political resources of the intelligentsia. Backed by the clerical element in power, Nateq-Nuri's upset is viewed as a clear message to Tehran's authority. Ayatollah Montazeri, a one-time Khomeini deputy described the election as a "popular revolution against the existing conditions."<sup>66</sup> Though clearly an agent for change, the moderate Khatami must nonetheless answer to Ayatollah Khamenei in order to further his economic and policy reforms.

The 20 million supporters of an estimated 30 million voters provide Khatami's power, which must confront the entrenched conservative element which still controls Iran's parliament, and moderates its policy. The conflict is clear and open. At the opening of the Islamic Summit hosted by Iran in December 1997, Khamenei lashed out in familiar rhetorical fashion at the West, declaring the United States "arrogant and contemptuous." Speaking shortly after him, President Khatami underscored the need for tolerance and understanding, calling for Islamic leaders to learn from the West.<sup>67</sup> Clearly the power

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<sup>64</sup> Ibid., p.104.

<sup>65</sup> Ibid., p.100. One of the two principal competing groups for electoral seats, the *Jameh-ye Ruhaniyat-e Mobarez-e Tehran* (Association of Combatant Clerics of Tehran), listed among its members two doctorates from the University of California at Berkeley, and a master's degree from the Massachusetts Institute of Technology.

<sup>66</sup> Stephen C. Fairbanks, "A New Era for Iran?" *Middle East Policy*, Vol. V, No.3, September 1997, p.51.

<sup>67</sup> John Lancaster, *Washington Post*, "Islamic Meeting Shows Deep Split in Iran Leadership," *San*



struggle between the clerical elite and the modern middle class will be played out in the years ahead.

In the current developmental phase, the modern middle class continued its subservient and uneasy coalition with the clerical elite and the bazaar. Advances achieved through economic liberalization strengthened the position of the intelligentsia, to the point where it could begin to assert itself politically. Mounting subsequent challenges to Iran's conservative coalition, the intelligentsia may be poised to orchestrate an evolutionary transfer of political power through a bourgeoisie revolution initiated in 1979.

## **G. CONCLUSION**

This chapter has examined the structural theory of modernization and its applicability to Iranian political and economic evolution in the twentieth century. Using the methodology of Barrington Moore, Iran's path toward modernization has been analyzed during four distinct phases of development. This linear-historical single case study has demonstrated the universal application of structural theory while clarifying the process of Iranian political development.

Though hindered by external intervention, the Iranian modern middle class is apparently rising to political hegemony through a series of revolutions. Following the path of industrialization described in Moore, Iran saw its first populist revolution in 1906, brought about by a small modern middle class which had allied itself with its traditional counterpart. Fearing a loss of political control, the clerical elite exercised its firm control over traditional elements, severing the middle class coalition.

Following occupation by Imperial powers, the modern middle class aligned itself behind a new power elite in the form of Reza Shah in the 1920s. The revolution from above conducted by a coalition between the middle class, and the elite, produced a

capitalist-fascist system which restructured Iranian society in conjunction with a pattern of state-led industrialization. During this same period, the state created a new aristocracy, in turn driving the traditional elite into the ranks of the middle class. Strengthened by these economic reforms, and provided an ideal opportunity through the removal of Reza Shah by Britain and the Soviet Union in 1941, the modern middle class made a successful bid for power in the nationalist movement of the 1950s. Now the dominant member of the coalition between conservative and moderate middle class elements, the intelligentsia nonetheless was forced from power as a result of the U.S. orchestrated coup of 1953.

Politically decimated by repressive methodology, the greater middle class remained economically viable in the following decades, and was integrated by its traditional ally, the clerical elite in the 1979 Islamic Revolution. The most highly mobilized and crucial element of the revolution itself, the modern middle class assumed a junior role in the power sharing which followed, yet ultimately benefited from the resulting opportunities for political participation. After the death of the revolution's leader, the intelligentsia accelerated this process, making subsequent gradual advances. Far from complete, the intelligentsia's move toward hegemony has evolved through a series of middle class upheavals, conducted over seven decades.

It has been demonstrated that the gains of the modern middle class have been achieved through bourgeoisie revolutions significantly influenced by a falling clerical elite element. Having clear dominance over the traditional elements, Iran's clerical elite has consistently been the senior partner in bourgeoisie coalitions. Of the three paths to modernity outlined in Moore's work, the Iranian theocracy is closest to a capitalist-fascist structure, as was evident in Mussolini's Italy. Iran's social upheavals then have been bourgeois with an "elite air." It is this influence which has likely resulted in the "reactionary" character of Iran's regime. Achieved through direct revolutionary activity and conducted almost exclusively by the middle class however, it is the contention of this

thesis that despite this apparent contradiction of Moore, eventual middle class hegemony will be the likely result.

The following chapters will examine in greater detail, the four distinct phases of development which illustrate this transition.

### III. THE FIRST IRANIAN REVOLUTION

#### A. BACKGROUND

Our analysis of Iran's development will begin with birth of Iranian nationalistic conceptualization in the late eighteenth century. It is virtually impossible to define the multiple layers of tribal, ethnic, religious and regional loyalties which existed in Iran in during this period. Through a careful study of the social categories and institutions which introduced and promoted the concept of territorial identity as the primary category of differentiation however, we can see the emergence of the modern state and its characteristic social elements.

Following the collapse of centralized Safavid Empire in 1722, Iran struggled through seven decades of tribal warfare before the Qajar monarchy emerged in the 1790s. Originally established through tribal confederation, the classically patrimonial Qajar state imposed an impressive central authority in its first decades through co-optation, transplantation, and outright execution of tribal leadership. By 1809, the state's revenues (reflecting an invigorated economy) were comparable to those of the significantly larger Ottoman Empire, reaching an estimated 2 million tumans (or 2 million pounds sterling) from taxation in cash and kind.<sup>1</sup> The fiscal achievements of the Qajar state were largely squandered in the wars against Russia (1811-13 and 1826-27) during which Iran surrendered significant territory and suffered sizable population losses. The revenues of the state declined in real terms by 15 percent over the next century while Iran's population grew from an estimated six million in 1800, to ten million in 1900.<sup>2</sup> Approximately one half of the population during this period was rural agrarian, with between one-third and one-quarter being nomadic.<sup>3</sup>

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<sup>1</sup>Said Amir Arjomand, p.21.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid., p.212.

During the Qajar period, territorial identity was nonexistent, except for a likely dynastic identification which tied the royal leadership to the tribally diverse population of the Iranian plateau.<sup>4</sup> The weakness of the state is demonstrated by the superiority of religious and ethnic elements including Shi'i, Sunni, Armenian, Zoroastrian, and Jewish, in asserting regional and tribal identity and dominance. In nineteenth century Iran, religious matters almost certainly formed the basis of consciousness, rather than historical events which had occurred within a geographic boundary. An individual's primary identification then was likely with a religion or specific region rather than with the state.

Territorial consciousness began to emerge with the modernization process,<sup>5</sup> which included the first returning student expeditions to Europe in 1815, and the opening of channels of communication between the state and various elements of society through newspapers and schools. The assumption of European notions of government and sociopolitical institutions in Iran initiated the transformation of the traditional multi-religious, multi-ethnic system into a modern state by the tested and proven process of European secularism.

Iran's gradual integration into the world economy during the nineteenth century resulted in a predictable decline in domestically traded handicraft, and a growth of cash crops and export items. By the late 1880s, Iranian society was comprised of landlords, military, officials, peasants, and a growing merchant and wealthy entrepreneurial class.<sup>6</sup> The bazaars constituted the marketplaces—the sources of monetary exchange and investment, the workshops, and the religious and commercial centers of urban Iran. It was here that loans were made, government representatives conducted financial deals, businessmen re-invested in their communities, mosques were constructed, and that new

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<sup>4</sup>Mostafa Vaziri, *Iran as Imagined Nation: The Construction of National Identity*, (Paragon House, New York, 1993), p.170.

<sup>5</sup>*Ibid.*, pp.173-176.

<sup>6</sup>Said Amir Arjomand, p.34.



urban migrants searched for a traditional source of comfort. Bazaars were economic, social, and religious centers; yet were separated by language, culture, tribal, geographic and religious boundaries that kept them from becoming politically viable. The urban merchants, craftsmen, and shopkeepers did not constitute a political force until further technological modernization in the form of telegraph lines, roads, internal security, and newspapers enabled contact with neighboring merchant communities of Istanbul and India.

Increased international trade and interaction played a significant role in the awakening of Iran's civil society, as did the small emerging educated class which would later constitute a vocal intelligentsia.<sup>7</sup> This group included bureaucrats, merchants, and landowning elements which despite their differences, comprised the modern intellectual stratum by virtue of their adoption of modern European concepts of enlightenment and human progress. These ideas in turn necessitated the birth and development of constitutionalism, secularism, and nationalism: constitutionalism was required to break the monarchy's monopoly on political power; secularism would weaken the overly conservative influence of the clergy; and nationalism would strengthen the state, finally freeing it from colonial influence.

## **B. THE INTELLIGENTSIA IN THE CONSTITUTIONAL REVOLUTION**

Economic life in Iran at the turn of the twentieth century was improving for many strata of society, yet the distribution of political power was unchanged. With accompanying international interaction and political awareness, the stagnating political structure produced an intolerable situation and created fertile soil for seeds of revolution. The marketplace became polarized as foreign trade stimulated the growing modern middle class, while the influx of foreign goods, services and capital stunted the growth of the traditional middle class of native trade and craftsmen.

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<sup>7</sup>Ibid, p.35.

The concession granted to foreign traders resulted in vocal opposition to government policies, prompting in at least one documented case, an Iranian merchant to become a British citizen in order to remain in business.<sup>8</sup> Declines in the standard of living of the lower urban classes, bad harvests across the nation, and earlier granting of tobacco concessions to a British businessman combined to produce both a rapid inflation and social upheaval within Iran's bazaars. The calls for reform arose from and then transcended the sugar tariff protests of 1905, in which the masses protested governmental waste and mismanagement, personified by Tehran's Customs Administrator, and new governor.<sup>9</sup> Being politically ineffective, the emerging modern middle class sought support from the bazaar craft and tradesmen, who, grounded in the mosques drew Shi'i clerics, and finally the military power of familial and tribal affiliations into the political arena.

In December 1905, a large group of bazaar merchants, grocers, leading clerics and their students demanded reforms, including dismissal of the afore-mentioned governmental representatives. In large part, the calls for reform addressed the specific material and economic needs of the bazaar and clerical classes, but were augmented with the voices of the diverse intelligentsia who managed to shift the focus to their political agenda, calling for creation of an *'adalat khanen-ye dawlati*, or governmental house of justice. Accepted by Mozaffar al-Din Shah in January 1906, it soon became the focus of additional merchant and clerical demonstrations, which were drawn by constitutional elements into a vaguely conceived political reform movement. On August 5th, 1906, the Shah decreed the establishment of a *majlis-e shura-ye melli*, or National Consultative Assembly.<sup>10</sup> The first *Majlis* was dominated by the traditional middle class—26 percent

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<sup>8</sup>Ervand Abrahamian, *Iran Between Two Revolutions*, (Princeton University Press, Princeton, NJ, 1982), p.61.

<sup>9</sup>Said Amir Arjomand, pp.26-37.

<sup>10</sup>*Ibid.*, p.37.

being guild elders, 20 percent clergymen, and 15 percent merchants.<sup>11</sup> The traditional middle class was overwhelmingly moderate, while the intelligentsia tended toward liberal ideologies. When the establishment of a *Majlis* became widely known, constitutionalists organized public rallies and demonstrations in Tehran and the nearby city of Tabriz, prompting intense parliamentary debates on the meaning and language of constitutional government. The National Assembly began construction of the Fundamental Law of the constitution in October, and on December 30, 1906, merely five days before his death, the Shah ratified the completed document.<sup>12</sup>

During the next eighteen months, the *Majlis* struggled to advance principles of enlargement of political society, while the new monarch, Mohammad Ali Shah sought to undermine them. The supplementary Fundamental Laws adapted from the Belgian constitution were framed by Western educated intelligentsia, and incorporated a "bill of rights" which granted protection, freedom, and equality to each individual citizen, while also creating legislative and executive parliamentary branches.<sup>13</sup> The *Majlis* recognized Twelver Shi'ism as the official state religion, established ecclesiastical courts which were granted jurisdiction over religious laws, and additionally granted a council of *mujtaheds* (clerical leaders or *mullahs*) authority to approve or reject all bills before parliament on the basis of compliance to the *shari'a* (Quranic holy laws). Fearing the loss of all royal power, the Shah refused to sign the new laws, until mass demonstrations prompted his humble acquiescence in early 1908.

The constitution was secured, and Iran's first revolution had been achieved by an allegiance between the traditional middle class, the modern intelligentsia, and the clergy. Virtually overnight, political associations formed and grew, prompting consideration of

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<sup>11</sup>Ervand Abrahamian, *Iran Between Two Revolutions*, p.87

<sup>12</sup>Said Amir Arjomand, p.38.

<sup>13</sup>Ervand Abrahamian, *Iran Between Two Revolutions*, p.89.

representative participation through provincial assemblies and municipal councils. By early 1908, over 130 such political organizations were functioning in Tehran alone.<sup>14</sup>

One primary objective of the constitutional movement was the construction of a modern state through reform and centralization. A key element to this reform was the establishment of governmental fiscal authority and accountability. State revenues were in arrears over perennial problems of tax collection due to a decentralized apparatus, the dysfunctional assignments of state rights over *tuyul* (arable and agricultural)<sup>15</sup> land, and a parasitic bureaucracy. The state had furthermore incurred enormous foreign debts over the past decade, squandering loans on extravagant and nonproductive projects.<sup>16</sup>

With the functional institution of the *Majlis* in 1906, fiscal reforms dominated its assemblies. The newly instituted Finance Committee prepared a budget, made modifications to the tax structure including the abolishment of institutional *tuyul* land, reduced royal pensions, and cut expenditures by the Shah's court by over a third. Iran's *Majlis* approved the state's first budget in November 1907. Proposed taxes on sugar and tea, as well as increased taxes on newly cultivated land and urban real estate were to be used for constructing a trans-Iranian railway which would increase trade revenues over the coming decade. Britain and Russia opposed the tea and sugar tax, and the Shah, seeing his opportunity, conducted attacks on the *Majlis* which led to a defeat of their first fiscal reform attempts.

The early alliance of modern middle class and bazaar began to crumble. As clerics had risen to positions of leadership in provincial and municipal assemblies, the resulting shift in power from the established central authority to these peripherals had given rise to

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<sup>14</sup> Ibid.

<sup>15</sup> Haim Gerber, *The Social Origins of the Modern Middle East*, (Lynne Rienner Publishers, Boulder, CO, 1987), pp.67-69. The term is similar in meaning to *miri* land, which was particular to the Ottoman land laws of 1858 in which any land capable of agricultural production, (and which would consequently yield revenues), was state land, and was leased to designated, and highly taxed participants.

<sup>16</sup> Said Amir Arjomand, p.41. By 1910, four-fifths of the annual revenues of the Department of Customs (the government's largest and most dependable source of revenue) was required to service Iran's international debt.



open divergence between the clerics, and the bazaar's merchants and tradesmen. Having assumed seats of power, the clerics became further distanced from the constitutionalists.

Without clear definition of functions or political authority between the *Majlis*, and growing political functions, many constitutionalists became disconcerted. Landowning elites and endowed clerics became alarmed at the potential economic and secular political evolution of the movement,<sup>17</sup> turning their support instead to the stable and familiar monarchy. Hostilities between the Shah and the *Majlis* increased, culminating with the restoration of an Iranian autocracy in June 1908. Despite the opening of the Second National Assembly in 1909, the following four years witnessed a decline in political councils and organizations, leaving the marginalized *Majlis* as the single existing element of the Constitutional Revolution.

### C. SEVERED ALLIANCES: AN INCOMPLETE REVOLUTION

The division in the Majlis, first apparent in 1910, centered around the twenty-seven reform minded *Firqeh-i Demokrat* (Social Democrat Party) founders, and the fifty-three conservatives who loosely coalesced into the *Firqeh-i I'tedal* (Moderate Party). The Democrats (who dropped “social” from their title due to public preconceptions)<sup>18</sup> sought to introduce fundamental Marxist principles to Iranian society. Emphasizing the struggle against traditional and contemporary aristocracy and Western imperialism, the Democratic party platform recommended railway construction, military conscription, industrialization, secularization, and national unification, stressing that “Iran must treat all its citizens—Muslims and Jews, Christians and Zoroastrians, Persians and Turkic speakers—as equal, free, and full Iranians.”<sup>19</sup> While the voice of the modern

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<sup>17</sup> Land reforms threatened the economic stability of the elite—the clerics were furthermore threatened by the reduction in political influence which would accompany secularization of the government apparatus.

<sup>18</sup> Ervand Abrahamian, *Iran Between Two Revolutions*, p.104.

<sup>19</sup> *Ibid.*, p.105.



intelligentsia, the Democratic platform appealed to other more radical elements, and was largely accepted as a progressive political force.

Among the members of the Moderate party were thirteen members of the *'ulama*, ten landholders, and three tribal chiefs. The Moderate party's base of support lay among the clergy, and in the bazaar. Based on traditional influences, the traditional middle, and urban working classes thus allied themselves with forces opposed to reform, viewing the intelligentsia as enemies of Islam. Under the guise of protection of the constitution, the Moderate platform espoused the preservation of family and the safeguarding of religion, but was ultimately intent on maintaining the status quo.

In the inevitable confrontation, the prominent Bakhtiyari tribe swung between Moderate and Democrat, finally allying itself with Mustawfi al-Mamalek, a wealthy but liberal civil servant who in the turmoil had become Prime Minister. By virtue of their support, the Bakhtiyaris were awarded influential positions, further empowering fellow chiefs of the Ilkhani and Hajji Ilkhani families to protect regional interests in exchange for oil revenues. Viewing the government as a tool, and the constitution as an umbrella for Bakhtiyari domination, other tribes entered the fray in an attempt to maintain, or increase their own regional influence. Thus the upheaval which had begun in the capital, became a provincial tribal conflict. In the throes of civil war, the reformists clung to a semblance of parliamentary control until the intervention of Britain and Russia forced the parliamentary doors closed.

#### **D. OCCUPATION AND SOCIAL STAGNATION**

In October of 1911, British troops landed in Bushier in order to secure Iran's central and southern highways. Russia meanwhile, threatened Iran with occupation in order to secure its markets and to implement an earlier agreement of trade and concession. Faced with these external pressures, the *Majlis* voted to reject Russia's ultimatum, and to extend their current session until the crisis was averted. Demonstrators

chanted “Independence or Death”<sup>20</sup> as the Prime Minister and regent declared the acts of the *Majlis* to be unconstitutional and voted to accept Russian demands in order to avoid the occupation of Tehran. The ‘*ulama* called for boycotts of Russian goods and orchestrated protests and strikes in the bazaars. Resistance to occupation rapidly began to wane, and eventually gave way to deep closely held resentment. The Russians and British held northern and southern cities, and undermined centralized Iranian leadership—dealing almost exclusively with tribal chiefs in their attempts to advance their own national agendas. The leaders of the Democratic Party had been exiled or had fled into the central provinces. Merely a handful of tribal participants in Iran’s revolutionary effort remained.

Iran's first Revolution was both a nationalistic and democratic event, orchestrated by a natural allegiance of the traditional and modern middle classes. As a classic bourgeoisie uprising, democratic reform was the logical result. The end is not often achieved without additional conflict however, and quite predictably, the smooth transformation of political and social structure was interrupted. Divisions in the *Majlis* prompted by a withdrawal of support by the landed elite, and central authority weakened by tribal battles combined to produce civil war.

Based on Moore's hypotheses of societal transformation, it is probable that left to the natural course of events,<sup>21</sup> civil strife would have eventually given way to the development of cooperative and crisis resolution methods, resulting in an institutionalized parliamentary democracy. Instead, the bloodshed and turmoil provided the impetus for imperial intervention, culminating with occupation by British and Russian troops in 1911. It is not difficult to imagine the different course of development that

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<sup>20</sup> Ibid., p.109.

<sup>21</sup> In the absence of external influence, Iran’s civil war would have reached its own conclusion. The “natural” resolution of conflict through co-optation, compromise or outright neutralization of rivals is significant to the development of bureaucracy, institutions, and the construction of the state. See Charles Tilly, “War Making and State Making as Organized Crime,” in *Bringing the State Back in*, (Cambridge University Press, Cambridge, 1985), pp.172-185.

American government and society may have taken had European powers intervened in the American Civil War. Though the middle class coalition was severed by elite influence, Iran's first revolution was quieted less by an often implied weakness of that middle class than by the denial of its natural political and social evolution by established imperial powers.

## IV. SHADOWS IN THE SOUND

### A. THE DREAM RESURGENT: AN ALLIANCE WITH THE NEW ELITE

With the tolling of Iran's first revolutionary bells having ended, it became clear that there were yet to be echoes of revolution, or "shadows in the sound."<sup>1</sup> Encouraged by early Russian battlefield defeats, Iran's third *Majlis* convened in secret shortly after the outbreak of World War I. The remaining Moderates and Democrats were loosely organized into a committee of resistance. Stressed by both party members was a need for independence and internal reforms, though the committee split along traditional lines on issues of secularization of politics and education. With the Russian Revolution in 1917, the long "hidden" Democratic Party re-emerged into Tehranian politics. Believing that Russia's victorious Marxist ideology would work in their favor, the vocal Democratic Party reacquired its previous foothold. Joined by the Communist Party, the Democrats called for evacuation of foreign troops from Iran.

With the 1919 Anglo-Iranian Agreement in which the British essentially established and extended protectorate status over Iran, opposition to the Tehran government reached a fever pitch. Haydar Khan, a prominent Democrat had recently joined the communist movement asserting that Iran was in the process of a national revolution. He argued that the *petite bourgeoisie* (which included the clergy) had initiated the previous revolution, but were threatened by British imperialism. Iran's economy he theorized, remained pre-capitalist—the state was under the control of the feudalist element, and the proletariat was not yet industrial. By uniting all the disaffected classes against imperialist rule, the communists could best provide impetus and momentum for

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<sup>1</sup>Bob Dylan, "Chimes of Freedom," on *Another Side of Bob Dylan*, (Columbia Records, 1964). Dylan is actually referencing a celebration in Philadelphia during which the "shadows" of tolling bells long ended remained with the crowd for hours to come.

the continuing revolutionary movement.<sup>2</sup> This observation is significant, for it would be the blueprint used by the Islamic opposition in fermenting the continuing revolutionary echoes of the 1960s and 70s. The loose alliance which resulted between the Communist Party in the north, and central, clerical and landed elements became strengthened when the communists emphasized the important contributions of middle class and clerical elements in Iran's progressive nationalist movement. Under mounting pressure, the British largely withdrew to the occupied southern territories, while the Shah anticipated takeover by the "Bolsheviks." It was out of this anticipated crisis that a forty-two year old army officer and leader of the Cossack Brigade in Qavnin, having obtained British approval and likely assistance (in the form of ammunition and supplies) marched into Tehran, and forced the Shah to appoint Sayyid Zia as prime minister, asserting that the coup d'état was being carried out in order to save the monarchy. With his own subsequent appointment as Commander of the Army, Reza Khan re-invigorated the political aspirations of the intelligentsia.

While the specifics of Reza Khan's rise to the throne are not pertinent to this thesis, some elements of his source, and consolidation of power are central to the argument. Though it was based on his assumption of military power, Reza Khan was able to carry out a dynastic conversion because of his alliances with diverse societal elements. The *Hizb-i Eslah Taleban* (Reformers party) was basically the conservative element which had evolved from the earlier Moderates,<sup>3</sup> and was still comprised of the landed elite. Having established a majority in the Fourth national Assembly, the Reformers had been successful in their conservative agendas, strengthening rural elites and thwarting any land reform efforts.

The *Hizb-i Tajadod* (Revival party) was led by young Western educated constitutionalists who had earlier been the core of the Democratic party, and who were

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<sup>2</sup>Ervand Abrahamian, *Iran Between Two Revolutions*, p.116.

<sup>3</sup> Ibid., p.120.



now attempting to advance their political agenda through allegiances with the power elite rather than through allegiances with their traditional counterparts.<sup>4</sup> The Revival party platform extolled separation of religion and politics, Western style industrialization and education, the establishment of an administrative bureaucracy, and the weakening of the landed elite through land reforms. The widely disseminated party newspapers concentrated on the establishment of a national identity, while idealizing the French Revolution and its liberation of the masses from clerical domination.<sup>5</sup> Reza Khan, who had in his earlier years espoused the overthrow of the landed aristocracy<sup>6</sup> supported the Revivalists to a majority in the Fifth National Assembly.

The third of four significant political elements in Iran at the time was the *Hizb-i Sosiyalet* (Socialist party). The Socialists were made up of former Democrats who retained their faith in the working class, believing that their redemption lay with traditional middle and lower class mobilization. Viewing attempted reforms as “unrealistic,” the Socialists advocated an alliance with liberal elite elements—calling for nationalization, industrialization, centralization of government, and free and representative elections.

The Communist Party similarly called for centralization of government and worked closely with the Socialists, believing that the mobilization of the industrialized masses would later prove to be their avenue to power. The Communist Party was led almost exclusively by non-Persian elements of the modern middle class.<sup>7</sup> Reza Khan formed an early alliance with the Reform party, restoring members of the *‘ulama* to positions of power and influence, while calling for the withdrawal of British troops from Iran. By voting to increase his military budget, placing large rural areas under martial

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<sup>4</sup> Ibid., p.122. This having been “betrayed” by the traditional element’s siding with the landed elite during the Constitutional Revolution.

<sup>5</sup> Ibid., p.124.

<sup>6</sup> Ibid., p.119.

<sup>7</sup> Ibid., p.133. The Communist Party leaders were predominantly Azeri and Armenian.

law, and retaining him as war minister, the Reformers (who were at the time the majority in the National Assembly) significantly increased Reza Khan's political influence. This alliance began to erode when Reza Khan called for mandatory conscription and the creation of a national army, which would additionally have had detrimental effects on the tribal and regional authority of landed magnates. He then appealed to the Revivalists and Socialists, who under their earlier Democratic platform had since 1906 espoused the benefits of a conscripted army.

By using regional military pressure, Reza Khan was able to influence the outcome of the Fifth National Assembly, producing a majority which favored his cause, and who *quid-pro-quo* declared him "Commander-in-Chief," and drafted a bill to eliminate the monarchy in favor of a republic.<sup>8</sup> The clerics who comprised the conservative element of the Assembly feared that republicanism would also threaten the *shari'a*, and weaken the caliphate as it had done in Turkey. The demonstrations orchestrated by the clergy got the attention of Reza Khan, who sought a compromise with the conservatives. Publicly stating that republicanism had created confusion, Reza Khan arrested several (Armenian) Communist party members, and declared that a constitutional monarchy was essential to prevent the rise of Bolshevism.

The modernist Revival Party, thus allied themselves with the conservative Reformists in order to depose the Qajar dynasty in favor of rule by Reza Khan, who had recently taken an old Persian name as his own. As he had done previously, Reza *Pahlavi* successfully influenced the National Assembly elections, producing a majority of his Revival and Reformer supporters. The *Majlis* then bestowed the throne upon Reza Pahlavi, crowning him Reza Shah in 1926.

The Modernist elements of the Revival party had carried out their agenda, uniting with the landed elite in a non-revolutionary transfer of power which produced a

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<sup>8</sup> Ibid., p.134.

predictable though slanted authoritarian regime. Moore asserts that an alliance between the intelligentsia and the landed elite will always produce an autocratic and authoritarian outcome. Contrarily, had the Revivalists remained true to their Socialist brethren, an equally modernizing and substantially more democratic government may have been the result. The ability of the elite to mobilize the lower classes brought pressure to bear on Reza Pahlavi, to which he responded by allying himself with the Reformers. The Revivalists, having given up on the masses were only too willing to form an allegiance with the new power elite embodied by the up-and-coming Pahlavi. In the fourteen years since Iran's Constitutional Revolution, the intelligentsia had reasserted its influence but had been unable to overcome the elite orchestrated mobilization of the traditional middle, and lower classes. Once again the intelligentsia had compromised in the hope of retaining some influence over Iran's future political development.

#### **B. CENTRALIZATION, EDUCATION, SECULARIZATION AND SHATTERED DREAMS**

Through effective utilization of both the army and government bureaucracy, Reza Shah was able to centralize and consolidate state power to an unprecedented degree. Creating almost 90,000 full time government posts in ten civilian ministries, Reza Shah transformed the previously tribal and hereditary ministerships into a tightly organized and relatively efficient state enterprise. He further strengthened his position through personal accumulation of land and wealth which could later be traded for influence and position. Through confiscation, royal claims, and benefits of state enterprises with foreign governments, the Shah was able to establish his dynasty as a new state-elite complex designed to support his interests.<sup>9</sup> Reza Shah then proceeded to weaken the parliament that had brought him the crown, by insisting that its executive actions be approved by the legislative branch.<sup>10</sup> Having reduced the *Majlis* to ceremonial functions, the Shah was

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<sup>9</sup> Ibid., p.137.

<sup>10</sup> This action placed the *Majlis* in a subservient position to the legislature, which dominated by the state-

then able to hand pick his cabinet who in turn approved his reforms, which included the closing of all independent newspapers, and the deconstruction of all established political parties.

Through 1941, Reza Shah exercised singular control of the Iranian state, forcing its industrialization and modernization. The social reforms undertaken by Reza Shah are the most significant to this thesis, since they followed Barrington Moore's formula for an authoritarian route into the modern world. The Shah set out to transform his multicultural society into a cohesive state in the Western model. Emphasizing education, equality, and a reduction of clerical influence, Reza Shah conducted a carefully orchestrated campaign of modernization, which at once revolutionized the Iranian social landscape, leading to requisite urbanization, and transformation from agricultural to industrial emphasis. His highly touted educational reforms created a significantly larger modern middle class, which overwhelmingly entered government service as office workers, administrators, technicians, and educators.

The intelligentsia was thus transformed from a minute element which had previously been comprised of a select few Western educated elites, to a significant portion of the labor force, which for the first time was linked to the state's mode of production, administration, and methods of modernization.<sup>11</sup> With all his successes, The Pahlavi dynasty would be unable to maintain its hold on Iran largely due to its failure to incorporate the fastest growing element of Iranian society. Rather than utilizing and building on the support of the intelligentsia, Reza Shah isolated virtually all of his former supporters, leaving a significant mobilized element which having grown from the seeds of democratic reformers in 1906, remained politically unfulfilled. Rather than completing

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aristocracy fell under the Shah's direct control. Members of parliament were unable to influence the passing or rejection of any proposed measures, and became a "rubber stamp."

<sup>11</sup> Ibid., p.146. The intelligentsia had actually grown to 7% of the state's labor force by 1941.



the transformation of Iran by incorporating the middle class, The Pahlavi dynasty clung to its totalitarian grip on the state.

The Iranian middle classes began their opposition to the Pahlavi regime in three distinct phases. The traditional middle class responded to the *'ulama*, and reacted with protests in the late 1920s. Angered by conscription and new secular laws the *'ulama* appealed to both the traditional middle, and urban working classes. The established members of the intelligentsia had rushed to support Reza Shah, tying their agenda to his new elite power. As the Shah massed his personal wealth, centralized power by eliminating all political participation, and caused widespread inflation through poorly conceived economic practices, his former reform supporters grew less enthusiastic. The newest members of the modern middle class saw the Shah as a self-interested puppet of the British, and focussed their opposition into the socialist and communist movements. This marked the first time that such ideology had taken root amongst an indigenous Persian speaking segment of the population.<sup>12</sup>

The Iranian urban working class was equally affected by the Shah's rule. Low wages, long hours, and high taxes caused widespread disaffection as Reza Shah's program of national unification intimidated Iran's minorities. Religious and linguistic minorities gradually lost their rights to practice and teach their religions. Forced to close their schools and churches, the nationalistic endeavor seemed to many to smack of a certain "Nazi radicalism." As Reza Shah resorted more and more to repressive methods to control opposition, it became apparent that such methods would not work indefinitely. Iranians and foreigners alike anticipated a bloody revolution, or at least a military coup.

The spiraling inflation of the previous decade had the greatest impact on the modern middle class. The cost of living index had increased from 100 in 1936 to 162 in 1940-1941. By the oil crisis of 1952 it would climb to 1,047, requiring the intelligentsia

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<sup>12</sup> Ibid., p.155. Of the "Fifty-three" who would later form the nucleus of the Tudeh party, only nine were of the urban class, and only five were non-Persian.



to raise their salaries by ten times to preserve their 1936 standards of living.<sup>13</sup>

Once again, the intervention of Imperial powers would redirect Iranian political evolution. In order to secure an alternate supply route to Russia, much needed oil installations, and to pre-empt a hostile coup or revolutionary attempt, the British and Soviets invaded Iran in August 1941. As expected, the Iranian military provided little opposition, and within a week Iran's newly elected Prime Minister was seeking peace and eagerly recommending the removal of Reza Shah. Under social conditions which had been brewing for four decades, the Iranian socio-political cauldron had been held closed for fifteen years by Reza Shah's Iron hand. The manipulation of Imperial powers would on the one hand intensify the situation, but would on the other place a far weaker monarch in control. The re-mobilization of Iran's intelligentsia had yet again been blunted by foreign intervention.

### **C. MOBILIZATION: INFLUENCE AND INTERVENTION**

The political instability which followed the appointment of Muhammad Reza Pahlavi to the throne reflected deep-seated political differences which remained unresolved. Class and ethnic rivalries dominated the divisions of political elements for the next decade, and while conflict and transition marked Iran's *Majlis*, the intelligentsia remained removed from the actual seat of power. Eager to secure his throne, the new Shah attempted to accommodate all sides, freeing political prisoners, transferring portions of his inheritance to the state, and accommodating the allies. The Thirteenth and Fourteenth Iranian *Majlis* would reflect the new apparent political freedom in Iran, and would be dominated by the growth of two splinter elements of the modern middle class. The Iran party, had been formed in 1941, and grew out of a professional Engineering Association. Comprised of the educated elite, the association later split, with the leftist members forming the Tudeh, or workers party.

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<sup>13</sup> Bank Melli Iran, "Cost-of-Living Index," Bulletin No.142, January, 1954, in Gasiorowski, p.159.

A landed and highly respected lawyer named Muhammad Mosaddeq received the full support of the Iran party, arguing for a cessation of foreign concessions in order to set a clear nonaligned path through global political seas. Mosaddeq, who had earlier criticized the ascension of Reza Khan to the throne, reasserted that the monarchy was little more than a military dictatorship, and that the army needed to be under parliamentary rather than royalist control. The Iran party platform appealed to Western educated intelligentsia who appealing to traditional ties, called for the completion of the constitutional movement through a destruction of the landed elite.<sup>14</sup>

By the end of the Fourteenth *Majlis*, Iran still had been unable to resolve the basic problems of constitution which sharply divided the conservatives, the middle class, and the laborers, nor had it adequately addressed the pressing social divisions, which continued to affect its political outcomes. Iran had also during this time become the first battleground of the Cold War, finding itself torn apart by the Soviets and British, and their demand for influence.

The Fifteenth and Sixteenth *Majlis* would be marked by power struggles between the Shah and competing elements of reform minded intelligentsia. The National Front was born in 1949 out of the dissatisfaction of the modern middle class with the failure of the Shah to fulfill his constitutional obligations. The specific demands of the organization were for honest elections, a lifting of martial law, and freedom of the press.<sup>15</sup> The National Front was a loose coalition of elements from five political parties, which united behind Mosaddeq in his claim to be a non-aligned representative of all Iran. Of the nineteen founding members of the National Front, all but six were of the modern middle class. Three represented the landed elite, while the final three members were of tribal nobility.<sup>16</sup>

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<sup>14</sup> Ibid., p.192.

<sup>15</sup> Ibid., p.252.

<sup>16</sup> Ibid., p.255.

The National Front then, came to represent both the traditional and modern middle classes. The first group continued to emphasize the *shari'a*, and the *'ulama*, while the second group was predominately a secular element. Having been an early opponent to Reza Khan's assumption of the monarchy, Mosaddeq was viewed by both groups as a constitutionalist and parliamentarian, who though himself landed, spoke for the greater middle class.

With the royalists still in majority in the Sixteenth *Majlis*, the National Front continued to emphasize internal reforms until the government revealed the terms of its deal with the Anglo-Iranian Oil Company. Viewed almost unilaterally as a sell-out, the National Front, with the support of the more radical intelligentsia element embodied by the Tudeh party called for nationalization. Following the assassination of the Shah's hand-picked Prime Minister, the parliamentary minority affected the royalists through overwhelming public support, literally forcing them to first vote in favor of nationalization, and secondly in the appointment of Mosaddeq to the premiership.

Following a rather conservative and internationally focussed first administration, Mosaddeq attempted to use the Seventeenth *Majlis* to further internal reforms. Introducing an electoral bill which would have greatly increased political representation for the urban population, Mosaddeq found himself opposed by the royalists, the military, and the tribal leadership. Carrying the majority in Tehran, the National Front was soundly defeated in the provinces, resulting in a minority position in the parliament. Following uprisings orchestrated by the majority elements, Mosaddeq barred the royalists from the *Majlis*, and declared himself the minister of war. Having thus removed two of his competing political elements, he bestowed upon himself emergency powers, which enabled sweeping land, educational, and tax reforms to be enacted without approval. Essentially disbanding the *Majlis*, Mosaddeq appealed directly to the people for support in changing the law. He mobilized Iran's industrial working class, winning 2,043,300 of

the 2,044,600 votes cast in the declared national referendum.<sup>17</sup>

Mosaddeq had successfully rid the seat of power of its military and royalist influence, while transforming the monarchy into a figurehead. By appealing directly to the electorate, he had crippled the landed elite and state aristocracy, nationalized the oil industry, and established an apparent representative republic. With both the monarchy and the British apparently at bay however, the two primary elements of the National Front returned to opposition. Denouncing the alliance between the government and the Tudeh party, the conservatives of the traditional middle class began calling for implementation of the *shari'a*. Now representative exclusively of the modern element, Mosaddeq and the National Front were replaying the acts of the Constitutional Revolution of 1906, in which the easy alliance between elements of the greater middle class had given way to a battle for singular control. The royalist and military elements would use this opportunity to unite against the National Front in an attempt to restore the monarchy. Following an initial failed coup attempt, Mosaddeq inadvertently turned the military loose upon the protestors, many of who along with the intelligentsia constituted his base of support. Having achieved assurance of American aid if law and order were restored, Mosaddeq thus employed his enemy against his electorate in a move which the United States had orchestrated in order to restore the Shah to power.<sup>18</sup>

Thus restored to power by the hand of Iran's newest Imperial master, the Shah swiftly eliminated virtually all traces of both the National Front and the Tudeh party, additionally arresting leaders of the major participating political elements. Believed to be the most significant of Iran's internal "threats," the Tudeh party would over the next decade be routed from Iranian society, crippling the leftist element of the modern

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<sup>17</sup> Ibid.

<sup>18</sup> Ibid., p.280. The apparent Tudeh crowd had actually been orchestrated by the CIA who had paid \$50,000 to generate the protest. Based on reports of looting and property destruction, and following an interview with the U.S. Ambassador, Mossadeq called upon the army to clear the streets of all protestors, unknowingly sealing his fate. Once the protesters had been eliminated, the army turned on Mosaddeq, destroying his home, and taking him prisoner.



intelligentsia, and severing all ties between the modern middle and industrial working classes. Weakened and isolated, the modern middle class, though comprising a significant percentage of the Iranian labor force, was again politically impotent.

#### **D. CONCLUSION**

In the first five decades of the twentieth century, Iran had witnessed two incomplete bourgeoisie revolutions, neither of which had been carried out to a logical conclusion. An agrarian society with a relatively weak impulse toward modernization, Iran had defied Moore's expectation of peasant revolution, and had orchestrated in fits and starts, a bourgeoisie revolution in which the middle class was severed by traditional links to the landed elite. In the Mosaddeq era, the largely successful allegiance between elements of the middle and industrial working classes eroded when the conservatives again withdrew. It is my contention that the successful mobilization of the intelligentsia in this period would yet have carried the day, had not the United States provided the means by which the landed elite could re-establish control.

Iran represents a unique case in the Moore model, in that the landed elite (who also incorporate elements of the traditional middle class, mostly consisting of landed clerics) has through Islam, continuously been able to mobilize both the traditional middle and urban working classes in its cause. Failing to see the natural link between themselves and the intelligentsia, the masses have thereby empowered this conservative element, making it the critical factor in political reformation.

In subsequent decades, methodological assaults on the landed elite would compress it into the greater middle class, and replace it with the state aristocracy. Thus in Iran's continuing socio-political struggles following the restoration of the Shah in 1953, the natural allegiance between greater middle class elements would yet again be called upon to overcome an obstacle to political viability.



## V. THE SECOND ECHO: AN ANALYSIS OF SOCIAL ELEMENTS

### A. INTRODUCTION

The events of the 1979 Iranian Revolution have been well documented and thoroughly analyzed in the nearly twenty years since its inception. In the twenty-six years between the overthrow of the Mosaddeq government and the razing of the monarchy, the Iranian nation struggled with an externally influenced and increasingly autonomous state apparatus which continued to inflict poorly conceived economic formulations and politically destabilizing practices upon a mobilizing society. The Islamic Revolutionary movement created a new myth of restoration, which pitted the Iranian people against a tyrannical and *taghut* regime, exercising an illegitimate claim on God's sovereign authority.

While Ayatollah Khomeini would achieve his political objectives largely on the merits of his own charisma and leadership, the cross-elemental mass mobilization of Iranian society which such a striking revolution demanded, was accomplished less on the basis of Khomeini's appeal than on the vilification of the Shah. It is clear that the support of many of these elements for the revolutionary movement was therefore not based upon a mass acceptance of Islamic political theory, but instead on a unified rejection of the Shah's regime. It would be true to say in fact, that many would not have supported the revolution had they had a clearer understanding of what the revolution was intended to bring about.<sup>1</sup>

As in many other historical cases, the Iranian Revolution was largely orchestrated by a relatively small element of the intelligentsia. This group of organized "professional" revolutionaries was primarily composed of Tudeh party elements, as well as members of the Islamic *Mojahedin-e-Khalq* (Fighters for the People), Maoists, and Marxists, and

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<sup>1</sup> Said Amir Arjomand, p.105.

were committed to the redemptive process of revolution itself. The products of local and foreign universities and high schools,<sup>2</sup> this new educated elite aspired to intelligentsia membership, and cloaked themselves in traditional revolutionary fervor, believing in their ability to construct an ideal Iranian society through a necessary process of sacrifice, blood, and fire. Unlike most revolutions however, the Iranian Revolution is marked by the negligible participation of this group in the growing revolutionary momentum, and by their conspicuous absence in the final play for state power.

Instead, the two primary contributors to the revolution's success are those groups which genuinely adopted the Islamic message, and the established intelligentsia (the modern middle class) which while a product of the Pahlavi state, ultimately rejected the Shah in favor of political viability. The traditional middle class, comprised primarily of elements of the bazaar had consistently opposed the monarchy since the rise to power of Reza Shah in the 1920s. While this group may have enjoyed some marginal benefits from the general prosperity of the post-Mosaddeq period, many governmental policies were detrimental to its existence. Developmental programs designed to increase industrialization and modernity often weakened traditional manufacturing and merchant elements. The exclusion of the bazaar in the government's developmental projects combined with the Shah's 1975 anti-profiteering purge of the marketplace left the traditional middle class clinging steadfastly to its long-time clerical allegiance.

The wave of urban migrants which had increased steadily between 1930 and 1978 comprised the second pillar of Islamic theological support. Isolated from traditional social networks as well as from the Shah's political system, these members of primarily the construction and non-industrial working class were successfully integrated into their urban surroundings by Islamic associations which provided key physical and social

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<sup>2</sup> Ibid., p.106, and Appendix, Table 13. Enrollment in Iranian universities had increased from 74,708 in 1970 to 175,675 in 1979. Most of these universities were of course in urban centers. In addition, high school graduates had increased by an even greater percentage as illustrated by the statistic that only 60,000 of the eligible 290,000 applicants were admitted to Iranian universities in 1977.

support. For the traditional middle and urban working classes, the urban Mosques became the only viable source for both social networking, and political enfranchisement.

Iran's established clerical element continued to consist of members of both the traditional middle class and the landed elite. While the vast majority of clerics remained unpoliticized, the myth of Islamic reformation nonetheless thrust them into the forefront of political power. As Ayatollah Khomeini provided the rhetoric which fuelled the fervor of both the "professional" revolutionaries and the devotees of the Islamic theology, middle and lower class elements of society were thus once again mobilized under the (albeit unenthusiastic) influence of the landed elite.

The "swing" vote of the revolution was yet again provided by Iran's arguably most powerful social element, the modern (to be distinguished from the aspiring intelligentsia comprised of "professional" revolutionary elements) middle class. Many academics have categorized the alignment of the intelligentsia as an aberration, citing either a short-sighted desire for instant political gratification, or an actual surrender to the psychology of the revolutionary movement.<sup>3</sup> Such theses negate the historical precedents for such an alliance, as well as trivializing the path of attempted political enfranchisement initiated in Iran's first revolutionary process in 1906.

Rather than recounting the oft-told tale of revolution, I will attempt in this Chapter to provide a concise analysis of the mobilization of Iran's intelligentsia in the two decades preceding the 1979 revolution, and of the alliance between this intelligentsia and the landed elite which ultimately produced Iran's Islamic Republic. The rhetoric, policies, and actions which prompted phases of revolutionary action will be omitted in favor of a straightforward elemental analysis applied once again to the methodology of Barrington Moore.

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<sup>3</sup> Ibid., pp.108-110. The author describes astonishment at the decision of the intelligentsia to subordinate itself to the clerical element, and accounts this alliance in part to a psychological disorientation and a reaffirmation of identity.

## **B. ECONOMIC DEVELOPMENT AND DEPENDENCY**

After the conclusion of World War II, a state agency known as “the Plan Organization” was constructed to oversee Iran’s economic development. The First Development Plan had been initiated in 1949, but had been aborted as a result of a Britain imposed oil embargo. Growing oil revenues and increasing U.S. economic aid enabled institution of the Second Development Plan in 1956. At the core of this plan was import-substitution industrialization, which sought to stimulate the private sector by making capital available through state run development banks. The Third Development Plan of 1963 continued this emphasis, directing public investment into heavy industry, including petrochemicals, and metals.

As a result, Iran’s economy transitioned from the agriculturally based capitalism of the 1950s, to an oil-based rentier economy by the mid 1960s. The service sector became the largest sector of Iran’s economy, accounting for 37.7 percent of GDP by 1959. Under the Third, and then Fourth Development Plans, this grew to an astonishing 42 percent share by 1972, with the oil industry accounting for 20 percent of GDP during the same period.<sup>4</sup>

Private investment decreased during the plan periods, accounting for 49.1 percent of gross direct investment in 1963, and 39.5 percent at the inception of the fourth plan in 1968. The state sponsored development banks were the primary sources of capital at the time, providing 55 percent of domestic private investment in 1963. In real terms, the state was the originator of 66 percent of gross investment during the Third Development Plan, and more than 74.6 percent during the fourth.<sup>5</sup> These investments, direct and indirect allowed the state a dominant role in Iran’s economy, providing many of its rentier characteristics. These characteristics were perpetuated by increasing oil revenues, which enabled a high level of state spending independent of societal contribution. In 1963 the

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<sup>4</sup> The figures in this paragraph are taken from Gasiorowski, pp.130-135.

<sup>5</sup> Ibid., pp.136-138.



state obtained 46 percent of its revenues from the petro-industry, and 35 percent from taxes. By 1976, the figures were 74 percent and 21 percent respectively.<sup>6</sup>

By controlling the most vital industrial sectors, and relegating the domestic private investment to the least critical and dynamic sectors of the economy, the state was additionally able to orchestrate its economic policies in relative independence from the traditional and modern middle classes. This independent control of industry, infrastructure, and investment further left especially the modern middle class highly dependent on the state.

Iran's social evolution mirrored its economic development. The middle class grew from 49.4 percent of Iran's urban population in 1966 to 60.3 percent in 1976, with the modern middle class accounting for the majority of the expansion, growing in real terms from 12.2 to 22 percent of urban population during the same period. Corresponding with this growth, the industrial working class grew from 23.2 percent of the urban population in 1966 to 24.5 percent in 1976. It is significant to note that the traditional middle class declined from 10.2 percent to 9.0 percent of the urban population during the period in question.<sup>7</sup>

When taken altogether, this data paints a revealing picture of Iran in the pre-revolutionary period. Iran's industrial and service sector workforces were in fact proportionally larger than those of other underdeveloped countries between 1960 and 1970, while its agricultural workforce was smaller.<sup>8</sup> This combined with its high rate of urbanization<sup>9</sup> indicates that Iran had a large middle class for an underdeveloped country,

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<sup>6</sup> Gasiorowski, p.143

<sup>7</sup> Ibid., p.149.

<sup>8</sup> World Bank, *World Tables*, 3rd ed., Vol.2, (Johns Hopkins University Press, Baltimore, 1983). In 1960 the average percentage of agricultural vs. industrial workers in underdeveloped countries was 69.0 to 12.2 percent respectively. In Iran 54.0 percent of the workforce was agricultural, while 23.0 percent was industrial.

<sup>9</sup> Ibid., the average rate of urbanization for underdeveloped countries was 23.6 percent in 1960, and 27.8 percent in 1970. Iran boasted a 33.6 percent rate of urbanization in 1960, and an even more significant 40.9 percent in 1970.



probably being greater in proportional size than those in South Korea, Pakistan, the Philippines and Turkey.<sup>10</sup> Data on income comparisons further indicates that Iran's middle classes were comparable in income generation to those in Brazil and Turkey, while being ahead of those in India, Pakistan, South Korea and the Philippines.<sup>11</sup>

While Iran's changing mode of production significantly affected its social make-up, these changes were held in check by a highly autonomous state apparatus. Thus what was in the decade between 1943 and 1953, and should have been in the decade of the 1960s a highly mobilized and empowered urban middle class, was instead a sector of society growing in size and economic power, while being kept politically impotent.

### **C. STATE AUTONOMY, SOCIAL INDIGNATION**

The growth of Iran's urban middle and industrial working classes should have increased the power of both elements enabling them to more significantly influence the state, thereby decreasing the state's autonomy. In fact, the largely repressive apparatus of the Iranian state, fueled in literal terms by its growing dependence on oil revenues was able to subdue these elements until their increasing radicalization proved overwhelming.

The primary formal political networks in the post-Mosaddeq period were the Tudeh party, and factions of the National Front, most notably the Liberation Movement. Though officially disbanded by the Shah's regime during his consolidation of 1953-1960, both parties remained to some extent a voice of opposition for Iran's intelligentsia.<sup>12</sup>

From a broad cross-class unification against the Pahlavi dictatorship in 1941, the Tudeh party eventually narrowed its appeal and by 1953 had declared itself the "vanguard of the proletariat and landless peasantry."<sup>13</sup> Between the party's inception and 1953, as much as 97 percent of its elected delegates were members of the intelligentsia.

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<sup>10</sup> Gasiorowski, p.151.

<sup>11</sup> Ibid.

<sup>12</sup> Abrahamian, , *Iran Between Two Revolutions*, p.328.

<sup>13</sup> Ibid., p.326.

Affiliates of the Tudeh party included twenty-four white-collar unions, consisting of associations of teachers, engineers, scientists, lawyers, doctors and veterinarians. The Tudeh party initially recruited heavily from the intelligentsia, directing its newspapers, editorials and periodicals to its concerns. In the mid 1940s, its influence began to shift toward intellectuals: professors, students, and writers on Iran's university campuses. The Tudeh additionally conducted a substantial rural campaign, sending cadres into the countryside to organize and set up peasant unions.

Though by 1946, several professional unions and syndicates had split formal ties with the party (aligning themselves instead with the Iran party, and other nationalist movements), by 1951 it was reported that 25 percent of Tehran University students were Tudeh part members, with an additional 50 percent being party sympathizers.<sup>14</sup> Older intellectuals, critics, and leading writers of popular Persian literature similarly aligned themselves with Tudeh party values, and at its height, it seemed to attract the most educated, talented and mobilized members of Iran's intelligentsia. In 1952 it was estimated by Western diplomats that 30 percent of Iranian intellectuals were active Tudeh supporters, with the overwhelming remaining majority being sympathizers.<sup>15</sup>

While only 3.4 percent of rank and file Tudeh members were women,<sup>16</sup> the Tudeh party nonetheless was the only avenue for political mobilization of women, and became a champion of women's rights. The party further argued that Pahlavi policies while appearing liberal were based in fascism, and could not produce true citizen rights. Aligning itself behind the nationalist movement and the Iran party in 1951, the Tudeh party became the dominant element of a highly mobilized and politically empowered intelligentsia which seemed poised to take the reins of Iranian power. The previous Chapter explored the mechanisms, largely external, which led to the disintegration of the

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<sup>14</sup> Ibid., pp.332-334.

<sup>15</sup> Ibid., p.335.

<sup>16</sup> Ibid., p.336.

Mosaddeq government and the nationalist movement, but did little to explain the evolution of the Tudeh.

Following the 1953 coup d'etat, the reinstated Shah moved to consolidate his position. \$145 million in emergency aid from the United States, and American and Israeli assistance in establishing, organizing and training the new secret police *Sazman-e Ittita'at va Amniyat-I Keshvar* (SAVAK) helped to ward off bankruptcy,<sup>17</sup> and systematically root out political opposition. A 1931 law against collectivism was strictly enforced under the new administration, which utilized the SAVAK to eliminate the Tudeh leadership and underground network. While most oppositional party organizers were reprimanded and some were jailed, they were allowed to return to their place in society after a few months. By 1960, fifty-four Tudeh party leaders had been executed, while another two hundred rank-and-file members were jailed for life.<sup>18</sup>

The Shah's regime additionally conducted propaganda campaigns which undermined the Tudeh role in Iranian society by emphasizing its atheist dogma, anti-property Marxist message, and Armenian and Jewish leadership. In truth, social changes, defections, and internal splits finished what the Shah's regime had begun. The increases in industrialization and improvements in education began to produce young intelligentsia less enamored with leftist ideology.<sup>19</sup> The four million urban migrants of the 1940s and 50s clung steadfastly to their clerical influence, and as formal networks were eradicated by the government, the informal *hay'ats* of the urban centers became the dominant voice of the peasant. Splits in the Tudeh, over differences in Sino-Soviet ideologies further weakened and radicalized elements, resulting in a final division in which original Tudeh members claimed the co-opting of the party's revolutionary ideology by strong Soviet influences.

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<sup>17</sup> Gasiorowski, pp.101-103.

<sup>18</sup> Abrahamian, *Iran Between Two Revolutions*, p.325.

<sup>19</sup> *Ibid.*, pp.332-333.

The Tudeh party would not be completely eliminated, and after initiating calls for unity of oppositional movements in the early 1970s, would play a minor role in revolutionary affairs.

In 1957, the Iran party, which had been the backbone of the nationalist movement was outlawed. Though few National Front leaders had ever been arrested, and those that were had long been released, the organization emerged under the new name National Resistance Movement in the late 1950s, and under the leadership of Mehdi Bazargan and Hojjat al-Islam Mahmud Taleqani continued to oppose the Shah's regime. Through published works extolling the compatibility of religion and politics, Taleqani and Bazargan attempted to bridge, and then prevent formation of the fissures between the clerics and the secular reformers, the bazaaris and the modern middle class, and the devout followers of Islam and the militant nationalists. Although outlawed in 1963, the movement would continue underground, spurred by the appeal of intellectuals such as Ali Shari'ati, who viewed himself as a "radical theorist" inspired by Shi'ism, yet founded in the political ideology of Marx. The Resistance and Liberation Movement appealed primarily to the intelligentsia, and professed a new Islam which would be brought into place by political action. The Liberation Movement attempted in fact to create an Islam which would allow the secular political activity of the intelligentsia, while not alienating the traditional religious masses.<sup>20</sup>

The Shi'i clergy itself remained a potential adversary of the Shah's regime. Though it had remained relatively inactive following its involvement in the Constitutional Revolution, the clerical element wielded significant power and influence among Iran's urban middle and working classes. Following the removal of Mosaddeq, the Shah had attempted to improve relations between the state and the clergy, cooperating in campaigns to eliminate opposition, and orchestrating clerically favored educational

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<sup>20</sup> Ibid., p.467.



reforms. The Shah attempted to engage the landed elite, which similarly desired to eliminate both the National Front, and the Tudeh Party. While attempting to co-opt this class, the Shah additionally chose to increase his regime's independence from it, incrementally weakening the landed elite through purges and reforms.

The Shah's periodic removal of landed representatives from leading positions in the state apparatus, and their subsequent replacement with co-opted technocrats in fact created a new aristocracy on the backs of the subjugated landed element. The removal of General Zahedi as Prime Minister, and his replacement by career civil servant Hosein Ala in 1955 is merely one notable example of the Shah's tactic. The manipulation of the Nineteenth *Majlis* election further empowered the state, providing a compliant "rubber stamp" for the Shah's policies. By 1960, the Shah had successfully suppressed the representative organizations of the modern middle and the urban working classes, and had undercut the landed elite by replacing it with a compliant government and aristocracy. While conditions were ripe for opposition, the state appeared capable of containing such movements, and maintaining its ultimate autonomy.

Although popular opposition reemerged between 1960 and 1962, it was undermined largely by its own factious nature. The Second National Front had made advances in the fraudulent Twentieth *Majlis* elections, and had enacted land reforms and women's rights legislation, both of which produced a renewed clerical opposition. Divided along religious and socio-political lines, and aggravated by the regime, competing elements of the middle class created cleavages within organizations such as the National Front, rendering them ineffective. Politically minded clerics began to agitate against the regime, and Ayatollahs such as Behbehani and Khomeini were able to mobilize the remaining clerical elite, the urban working class, and the new intelligentsia respectively. Dislodged from its elite status, the clerical element was now perhaps the most powerful element of the middle class, and became the core of a new, yet long-



established coalition of elements.

In 1963 the Shah unveiled a package of reforms which would come to be known as the “White Revolution.” Encompassing six initiatives which included most notably the enfranchisement of women, and an expanded land reform program, the White Revolution would have significant effects on Iranian society. By breaking up virtually all agricultural estates, the White Revolution completed the elimination of the landed elite as a social class. It secondly led to an increased migration of rural peasants to urban centers, dramatically increasing the ranks of Iran’s industrial working class. It finally led to considerable opposition activity, which when harshly suppressed, led to an increasing radicalization of oppositional movements.

The clerically orchestrated demonstrations of January 1963 resulted in the closing of the Tehran bazaar for three days, and the arrest of numerous clergymen, most notably Khomeini. Drawing primarily from the traditional middle and industrial working classes, these demonstrations were repeated in Mashad, Tabriz, and Qom in March and April.<sup>21</sup> The political nature of clerical sermons prompted further demonstrations, and the second arrest of Khomeini in June of 1963. The violent riots sparked by his arrest were quelled by Iranian security forces which killed hundreds of citizens in the days that followed.<sup>22</sup> Khomeini’s denouncement of the Status of Forces agreement in October 1964 led to his final arrest and exile, first to Turkey, then to Iraq, and finally to Paris in 1978.

Between 1963 and 1976 the Iranian political scene remained fairly consistent. Though ripe for opposition, Iranian society was largely subdued. The landed elite had been eliminated—driven into the middle class with which it shared traditional ties. The traditional middle class had shrunk in relative size and influence, and clung to political viability through its allegiance with the clergy. The industrial working class, growing in size had yet been weakened by the elimination of the Tudeh Party, and now relied on

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<sup>21</sup> Ibid., p.186.

<sup>22</sup> Ibid.

alliances with the modern middle, and clerical classes for influence over the state. The modern middle class had grown most significantly in size and economic viability, but had been crippled by the suppression of the National Front and the Tudeh Parties. It too relied on alliances within a divergent greater middle class in order to influence its environment. Rejecting conservative clerics, Marxism itself, Iran's former secular nationalism, and Imperial influence, the intelligentsia finally embraced the message of revolutionary Islam, ultimately failing to determine how it could in fact carry out an Islamic revolution without empowering traditional Islamic elements.

#### **D. COLLAPSE**

The fits and starts of opposition movements between 1963 and 1970 were harshly suppressed by a now highly autonomous state. Political clerics such as Ali Montazari and Ali Akhbar Hashemi Rafsanjani were repeatedly arrested.<sup>23</sup> The state's neutralization of political organizations made it increasingly powerful relative to the elements which such groups represented. The elimination of the landed elite and creation of a state aristocracy further empowered the regime, making it autonomous from virtually all of Iranian society. These changes necessitated a previously mentioned "radicalization" of opposition movements, the most important of which was the underground network established by Khomeini himself from his exile in Iraq.<sup>24</sup> The modern and relatively complex ideology of such networks limited their initial participation to university students, and educated urban workers. Bent on revolution and violent overthrow, the modern intelligentsia and the disaffected urban worker became the foot-soldiers of the new Islamic army. The political teachings and economic promises of the radical clergy would later reach the traditional middle class, and by 1977, Khomeini's network was undeniably powerful.

The actual base of the revolutionary opposition movement consisted of four

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<sup>23</sup> Ibid., p.189.

<sup>24</sup> Ibid., p.191.

elements which had previously been allied, though under very different social conditions: the modern middle class, the traditional middle class, the clerical elite (which together now encompassed a greater middle class), and the urban working class, (all of which included elements of the new intelligentsia). As it had been in 1906 during the Constitutional Revolution, the clerical element proved dominant in the alliance, albeit for very different reasons.

In the earlier case, the clerical elite had supported an alliance of middle class elements, mobilizing the working class in that effort. Following the installation of a constitution the landed, and politically viable clerical element had severed the alliance by pulling the traditional middle class away from the reform-minded yet politically weak modern sector.

During the Mosaddeq period, the relatively inactive clerical element was subdued by a highly mobilized modern middle class, which on this occasion dominated the middle class alliance.

In the case of the 1979 revolution, the political organizations which represented a growing modern middle class had been suppressed, both by the repressive tactics of the regime and by the bitter factionalism which had eroded the populist character of such movements, limiting its popularity with students, workers and traditional elements.<sup>25</sup> The significant growth of the urban working class further led to an increase in clerical influence, which while also having suffered repression, was nonetheless deeply rooted in this and traditional middle class segments of society.

The political clergy was now the dominant element of a coalition which united behind the cause of violent overthrow of the Pahlavi regime. In the aftermath of the revolution, this politicized clerical element would gain power through its reunification with the established clerical apparatus, securing its place with the support of the masses.

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<sup>25</sup> Ibid., p.214.

A true middle class revolution had been conducted, though one which bore the influence of the landed elite. The modernization from above which had been ongoing for two decades had been undone by a populist revolution which had further corrected an irreconcilable relationship between an autonomous state and its disaffected society. The modern middle class which remained the largest segment of the population had been denied its further influence by a pattern of weakening repression, a history of divisiveness, and a coalition of traditional elements united in a new configuration. Still, the modern middle class had been instrumental in enabling the social transformation which had taken place. It would by this virtue increase viability, and through a new state configuration grow once again in its ability to exercise influence over the state.

## VI. EVOLUTION OR REVOLUTION? THE POST-KHOMEINI ERA

### A. POST-REVOLUTIONARY CONSOLIDATION OF POWER

Beyond the rhetoric and ideology, the 1979 Islamic Revolution ultimately gave rise to a new political elite comprised initially of a coalition of middle class entities. By 1981, the clerical element (which had dominated the pre-revolutionary coalition) emerged as the dominant directive force in Iranian politics. In the two years following the revolution, the modern middle class in apparent confusion remained divided over issues of ideology (be it leftist, republican or monarchical), concentrating their efforts on competing theories of economic development and foreign policy. Fiddling as Iran burned, their failure to analyze both post-revolutionary continuities and changes enabled the clerical element to consolidate its power.

While clearly a populist revolutionary movement, the Iranian revolution did little to fundamentally change the nation's social structure.<sup>1</sup> The initial changes forcefully directed against the remaining landed elite and state aristocracy gradually slowed and reversed, resulting more in a "circulation of Iran's political elite"<sup>2</sup> rather than a structural transformation. Certainly the appearance of Iran's state machinery changed to reflect the new hierarchies, but the ending of the Pahlavi regime did little to alter the operations of that machinery on either social or economic levels. In post-, as in pre-revolutionary Iran, a single class was able to gain control of the state apparatus. While a recent "member" of the greater middle class, the clerical element having gained control over the state, consolidated and increased its own power, becoming not merely a politically elite force (as it had been under previous state structure), but the new singular political elite.

Under the "Supreme Leadership" of Ayatollah Khomeini, the power of this

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<sup>1</sup> Mohammad Moaddel, "Class Struggle in Post-Revolutionary Iran," *International Journal of Middle East Studies*, Volume 23, No.3, August, 1991, pp.317-321.

<sup>2</sup> Anoushiravan Ehteshami, *After Khomeini: The Second Iranian Republic*, (Routledge, London, 1995), p.5.



element was centralized and consolidated around a redefined and strengthened, yet strikingly familiar state structure. Independent political advances were not permitted, and it would not be until Khomeini's death that a redefined political structure would allow exploration of the inter- and intra-elemental divisions which remained a part of Iranian political reality.

It is useful here to cross-categorize the heretofore Moor-“esque” Iranian class structure with corresponding political philosophies in order to demonstrate the conflicts which allowed the consolidation of clerical power. While somewhat simplistic and generalized, this will provide us with a more thorough understanding of post-revolutionary political evolution. In the decades between the failed nationalist movement and the creation of the Islamic Republic, there were three primary competing political philosophies: republican, leftist, and monarchical.

The republican “coalition” was overwhelmingly middle class. The traditional middle class element (the bazaar) has in the post-revolutionary era been termed “liberal Islamic republican.”<sup>3</sup> This group retained its traditional clerical ties, yet emphasized its economic advancement. The traditional middle class would favor market reforms, but would shy away from the untraditional, secular approach of their modern allies.

The “secular republicans”<sup>4</sup> were dominated by the modern middle class and embodied by the Bazargan government, which failed in large part due to the failure of secular supporters to consolidate behind it. The army leadership, which has until now been largely ignored in this analysis were undeniably a component of the modern middle class, yet were themselves divided. Some while undoubtedly being secular republicans, chose to remain apolitical. Other secular supporters, including the modern middle class as a whole, were further divided along republican and leftist lines.

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<sup>3</sup> Ibid., p.7.

<sup>4</sup> Ibid., p.11.

The “Fundamental Islamic Republicans”<sup>5</sup> were naturally dominated by the clerical element, and further fell into one of three camps: the Maktabis, the Hojatieh, or independent groups such as the Fedayin ‘e Islam. The Maktabis were the dominant group in Khomeini era politics, and were generally comprised of the highly politicized clerical element which had fomented the revolution, further prescribing anti-Western foreign policy and export of the Islamic Revolution.<sup>6</sup> The Hojatieh favored a free-market economy, opposed leftist ideology, and preferred a more traditional Quranic role. This group was embodied by the more established clerical elite, or clerical elements which remained dependent on economic advancement for their prosperity. While both Ayatollahs Ali Khamenei and Hashemi Rafsanjani have historically been categorized as Maktabis, it is clearer now that Rafsanjani would now be considered more in the Hojatieh camp.<sup>7</sup>

The leftist category was represented most notably by the Remnants of the Tudeh Party, which had been and remained almost exclusively elements of the modern middle and urban working classes. Severely weakened by Pahlavi purges, and disinherited by traditional groupings, the Tudeh clung to its ideology, and remained largely insignificant. The state aristocracy comprised the monarchist faction and was further supported (largely by an absence of action on behalf of any single element) by the Army officers, who as previously mentioned were in fact part of the modern middle class.

In the post-revolutionary power struggle the republican faction, heavily dominated in its variety of forms by the greater middle class, had the greatest momentum. Having consolidated the population under the banner of Islam and wielding the most significant cross-class influence, the Islamic republicans were able to direct the political outcome.

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<sup>5</sup> Ibid., p.7.

<sup>6</sup> Ibid., pp.8-10.

<sup>7</sup> Ibid., p.8.

The modern middle class led secular republican camp was overcome by class division and confusion. The greater middle class having orchestrated a revolution, was dominated by an elite influence. The middle class while Iran's fastest growing and most viable, had in the end been politically ineffective. While most certainly a "class-in-itself," it had never become a "class-for-itself."<sup>8</sup>

#### **B. "...THE REVOLUTION HAS JUST STARTED"**

The war with Iraq demonstrated the elite dominance of the Fundamentalist Islamic Republicans, led by Ayatollah Khomeini. Ruled *haram* (forbidden by sacred law) by many senior figures,<sup>9</sup> it nonetheless raged on until July 1988. The war's end threatened the existing social, economic, and political balance, forcing republican factions to unite once again in order to preserve their creation. Seen as an opportunity by liberal Islamists and secular elements, and as a crisis by Khomeini's supporters, it was a matter of survival for both. Disenchanted though they were with the form the republic had taken, more liberal elements yet recognized that only through its survival did they have an opportunity for greater viability.<sup>10</sup>

The structure of power which had been created exclusively for and by the revolution's leader would have to be modified in order to provide a smooth transition of power to any successor. The constitutional reforms undertaken to facilitate succession demonstrated both a recognition of the need for ideological opponents to overcome their differences, and a struggle for power within that limiting context. The resignation of Ayatollah Montazeri as designated *faqih* in March 1989<sup>11</sup> allowed a new structure of

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<sup>8</sup> Joseph Bahout "The Syrian Business Community, its Politics and Prospects," in *Contemporary Syria: Liberalization Between Cold War and Cold Peace*, Eberhard Kienle, Ed., (British Academic Press, London, 1994), p.79.

<sup>9</sup> Ehteshami, p.23. Several senior Islamic figures including Grand Ayatollah Tabataba'i Qomi had issued a *fatwa* against the war, declaring it un-Islamic.

<sup>10</sup> Even dissenting voices recognized that only through internal changes could the Republic be preserved. Unwilling to risk the possibility of an even less desirable political system and disillusioned with the revolutionary process, even critics appear to desire change from within.

<sup>11</sup> Ibid., p.24. Ayatollah Khomeini sought the resignation of his previously appointed successor in order to

power sharing which saw the rise of two long-time political participants and representatives of the dominant Islamic republican factions. Khamenei and Rafsanjani had both been on the original 16-member Council of the Revolution formed in 1978, and had ascended the formal political structure to occupy the positions of State President and Speaker of the *Majlis* respectively.

The final Constitutional amendments abolished the office of Prime Minister, consolidating all executive power in the office of President of the Republic. In addition, the position of *faqih* was redefined to permit the appointment of one less righteous than Khomeini himself, while modifying his ability to interact with the state system. In particular, the wording withdrew the previous limitless power of influence, requiring the Leader of the Republic to settle only those problems which the system could not through normal channels.<sup>12</sup>

Thus when Rafsanjani became Iran's first executive president, and Khamenei its new leader, a new balance of power had been created. The end of the Iran-Iraq war marked the beginning of a period of reconstruction and economic reformation, albeit under the governance of the *faqih*. Rafsanjani would himself announce that in this phase, "we should think that the revolution has just started."<sup>13</sup>

### C. ECONOMIC REFORMATION AND PARLIAMENTARY ADVANCE

The death of Ayatollah Khomeini on 3 June 1989 allowed the nomination of his succeeding *faqih* on June 5th, and prompted an acceleration of the presidential elections to July. Bypassing senior clerics, the Assembly of Experts named Khamenei to the first position, additionally elevating him to the rank of Ayatollah. Hashemi Rafsanjani became Iran's first executive President in August 1989, and emphasized a new economic strategy based on industrial production, liberalization and privatization. His first Cabinet of 22

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facilitate a change in the power structure.

<sup>12</sup> Ibid., p.40.

<sup>13</sup> Spoken in December 1988 prior to both his election as president. Ibid., p.27.



members was decidedly technocratic, and in fact consisted of members who had engaged in disputes with the dominant Maktabi faction for years. The emphasis on technical skills over Islamic virtues would produce a “pragmatic Islamism” that was not only at odds with the revolution’s totalitarianism, but threatened to marginalize the Maktabi element which ironically constituted the dominant force in Iran’s Third Islamic *Majlis*, which had approved both the President’s Cabinet appointments and his economic reform policies.

In further analyzing President Rafsanjani’s Cabinet, it is clear that a technocratic trend is evident. The 1967 Cabinet of then Prime Minister Amir Abbas Hoveyda was likely the most professional and technically qualified Cabinet on record, consisting of fifteen Ph.D., five engineers, one high ranking military officer and three untitled members.<sup>14</sup> The Cabinet of transitional President Bazargan was similar, with nine Ph.D.s, four engineers, one military officer and nine untitled members. Both Rafsanjani’s 1989 and 1993 Cabinets compare favorably, boasting sixteen of twenty-two members in each case who were Ph.D.s or engineers. Worthy of note is the absence of any military representation on Rafsanjani’s Cabinets, signaling perhaps the final political elimination of what was likely viewed as a monarchist organization.

The ability of the people to participate in the selection of their representation, and the movement of that representation toward technocracy, represent significant advancements in both the Iranian political system, and the political growth of the modern middle class. We must be careful however not to mistake the open factions of government and the rights of the citizens to vote with actual mass political freedom and participation. The Iranian system remains inherently restrictive, and constitutional clauses regarding freedom and liberty remain largely unimplemented.<sup>15</sup>

There is little question however that the program of economic liberalization initiated by President Rafsanjani has had a significant impact on the balance of power

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<sup>14</sup> All Cabinet figures taken from Ehteshami, pp.70-71.

<sup>15</sup> *Ibid.*, p.73.



within Iran's class system. The Islamic Revolution among other things, claimed to be unique in its merging of political, theological and economic Islam. In truth, any attempts at construction of an Islamic economic model were discarded with the death of Ayatollah Khomeini. Iran's Foreign Minister himself in 1991 suggested that "economic considerations overshadow political priorities."<sup>16</sup> Consistent though they were with international economic liberalization trends, the reforms of the Rafsanjani administration are far more significant considering their contrast with Iran's Islamic social system.

The plan focussed on deregulation and privatization, and attempted to eliminate as much as twenty percent of the public sector. Sales of government assets between 1991 and 1992 included the privatization of mines (except those earmarked as strategic reserves), fisheries, oil refineries, and banks.<sup>17</sup> By easing restrictions on imports and eliminating taxes on exports, the government further sought to attract direct foreign investment. Planning to raise \$27 billion in foreign capital, the Rafsanjani administration additionally relaxed Iran's foreign investment laws, permitting an unprecedented 49 percent equity ownership by a foreign partner.<sup>18</sup> Hurt by an artificially high exchange rate and its international reputation, Iran in 1992 still managed to record a respectable \$16.1 billion in foreign capital income.<sup>19</sup>

An unusual, yet undeniably significant facet of economic reformation included an increase in taxation. Taxation income increased from 986.2 billion *rials* in 1988 to 2,592 billion *rials* in 1992, accounting for revenues equivalent to 40 percent of 1992 government expenditures.<sup>20</sup> This increase places government income from taxation ahead

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<sup>16</sup> *Middle East Economic Digest*, Quarterly Report – Iran, June 1991.

<sup>17</sup> Ehteshami, pp.108-112.

<sup>18</sup> *Ibid.*, Under the Pahlavi regime, the maximum foreign holdings were 35 percent. Article 81 of the Islamic Republic's Constitution bans the creation of companies by foreign interests outright. The shortage of domestic capital evident in 1991 persuaded the Majlis to acquiesce to Rafsanjani's recommendations.

<sup>19</sup> *Ibid.*, p.116.

<sup>20</sup> *Ibid.*, p.112.

of that from petroleum revenues for that same year.<sup>21</sup> While it is not clear whether increase in tax revenues primarily indicate higher direct taxes, a more effective collection apparatus, or increases in corporate taxes, it nonetheless marks a significant change in Iran's economic system, and is indicative of corresponding social changes. A shift from *rentier* economics toward a greater reliance on direct taxation, indicates an increasing level of accountability of the state to its people. Even were these increased revenues generated primarily on the corporate level, it is no less an indication of private economic growth and a corresponding decrease in the autonomy of the state relative to some element of society.

The realities of Iran's economic liberalization during the first Rafsanjani development plan fell far short of expectations. While oil exports and tax revenues were ahead of projections, higher than anticipated imports coupled with a drop in oil prices following the Gulf War resulted in high inflation and a precipitous devaluation of the rial. Subsequent shortages of capital and raw materials resulted in Iran's acceptance of \$30 billion in World Bank loans, which would subsequently require in excess of \$4 billion each year in servicing. Further devaluations of the *rial* led to a deepening economic crisis which was not brought under control until 1994.

As the first parliamentary elections held in Iran since the death of Ayatollah Khomeini, the Fourth Islamic *Majlis* elections held in April and May of 1992 were a significant indicator of public political sentiment, and a test of the political system itself. In light of the less than stellar results of the economic reformation, the election became a referendum on Rafsanjani's political domination. The rivalry between the two dominant political groups: *Jameh-ye Ruhaniyat-e Mobarez-e Tehran* (Association of Combatant Clerics of Tehran: which supported Rafsanjani) and *Majma-ye Ruhanioun-e Mobarez-e Tehran* (Association of Combatant Clergy of Tehran) amounted to a rivalry between

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<sup>21</sup> Ibid.

Rafsanjani and the legislative branch.

The followers of the Combatant Clergy had consolidated their power in the *Majlis* since Rafsanjani's departure, and opposed not only his reform measures, openly advocating increased governmental control of the economy,<sup>22</sup> but went so far as to question Khamenei's legitimacy as *faqih*.

The *Majlis* election then was a direct confrontation between these two competing elements for domination of Iran's political decision-making process. While many potential candidates boycotted the elections to protest the perceived partiality of the electoral process,<sup>23</sup> participation and voter response were high. An estimated 18,801,432 Iranians (or between 59 and 65 percent of eligible voters) turned out nationwide, the highest figure in any of the Four Islamic *Majlis* elections.<sup>24</sup>

The elections represented an unconditional victory for Rafsanjani, who was able to obtain a majority in the *Majlis*. All elected candidates in Tehran were of the Combatant Clerics, and more than two-thirds were new. The reduction in number of clerics, increase in women, and undeniably technocratic character of the Fourth *Majlis* were a resounding victory for Islamic pragmatists.<sup>25</sup>

#### **D. MODEST ECONOMIC IMPROVEMENTS AND PROMISES OF SOCIETAL TRANSFORMATION**

The second five year economic development plan initiated in 1994 builds on the mixed results of the first. Since the height of the foreign debt crisis in early 1994 during which Iran's liabilities exceeded assets by more than \$3,000 million,<sup>26</sup> there has been a

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<sup>22</sup> Farzin Sarabi, p.91.

<sup>23</sup> *Ibid.*, pp.96-99. The previously discussed Council of Guardians screens each candidate to determine suitability. In many specific cases, rejected candidates were notified as little as 24 hours before the actual election and had no time to lodge a protest. No list of disqualified candidates was provided for the Fourth *Majlis* elections, with only the excluded candidates themselves being notified. 39 incumbents from the Third *Majlis* were disqualified, most of whom were supporters of the Combatant Clergy (who opposed Rafsanjani).

<sup>24</sup> *Ibid.*, p.102.

<sup>25</sup> *Ibid.*, p.104.

<sup>26</sup> *Middle East Economic Digest*, Quarterly Report – Iran, September 1997.

marked reversal in this trend. Iran's assets versus its liabilities measured \$10,917 million versus \$10,157 million respectively at the end of 1996.<sup>27</sup>

External debt continues to drop with only \$14 billion remaining on Iran's World Bank loans.<sup>28</sup> Despite consistent revenue shortfalls due to lowering per-barrel oil prices, Iran's economy has experienced modest growth estimated at just under 3 percent annually since 1995.<sup>29</sup>

Privatization efforts, stalled under the first five-year plan, have increased substantially in the past year. The first private credit company since the 1979 revolution opened in September 1997, offering extended credits for housing and corporate construction. Other specialized credit companies are expected to be in operation soon.<sup>30</sup>

Despite a major blow to Iran's pistachio export industry, which accounts for as much as \$600 million in annual hard currency earnings,<sup>31</sup> Iran's non-oil exports for the first quarter of (Iranian year) 1998 increased to a post-revolution record of \$1,080 million. Direct foreign investment increased in 1997 to an estimated \$1 billion, and credit lines from European consortiums are expected to reach an all-time high in 1998.<sup>32</sup>

The realities of Iran's economic reforms have so far failed to positively impact the middle class to a measurable degree. Certainly the easing of regulations on exports, an increasing availability foreign currency, and efforts to float the monetary exchange rate benefit the marketplace, but Iran's distribution of wealth while moving in a positive direction remain unbalanced. Table 1 compares the distribution of income in selected countries prior to 1988, and then again in 1995. As of 1988, the top 10 percent of Iranian

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<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> The Economist, "Children of the Islamic Revolution: A Survey of Iran," *The Economist*, January 18, 1997, p.12.

<sup>30</sup> *Middle East Economic Digest*, September 1997.

<sup>31</sup> Ibid., The European Community which accounts for 70 percent of Iran's pistachio exports imposed a health related ban due to intolerable levels of a naturally occurring mould in tested samples. The ban, imposed in September.

<sup>32</sup> *Middle East Economic Digest*, Quarterly Report – Iran, March 1998.



households earned 41.7 percent of the national income. In 1995, it was estimated that the top 10 percent of households earned 38.2 percent. The significant growth of the middle class relative to other segments of society contrasts with the far less vigorous redistribution of income, and appears to demonstrate that economic liberalization has resulted more in a reinforcement of Iran's business elite than in a transformation of the class structure. Still, there is little question that the growing political influence of the business elite will force a new relationship with the state in which shared economic interests become increasingly emphasized.

Country	Share of highest 10 percent (1980-88)	Share of highest 10 percent (1995)
Iran	41.7	38.2
Turkey	41.5	40.1
United States	28.2	29.1
Japan	22.7	23.2

Table 1. Distribution of National Income in Selected Countries.<sup>33</sup>

#### E. THE RELEVANCE OF KHATAMI: THE NEXT STEP

The sweeping surprise victory of Mohammad Khatami in May 1997's presidential election fueled speculation of impending social reforms, and of a possible end to domination of Iran's political process by clerical hard-liners. While surprising, Khatami's victory was a continuation of the power struggle between Iran's two dominant factions of Islamic republicans. Seen as an agent for change, the former minister of culture was pitted against the unpopular *Majlis* speaker Ali Akbar Nateq-Nuri. Perhaps in anticipation of a conservative backlash, Khatami's Cabinet was relatively cautious, consisting of a familiar "California mafia"<sup>34</sup> of technocrats in the key domestic ministries. The only

<sup>33</sup> Sources: *The Encyclopedia Britannica*, 1988, Anoushiravan Ehteshami, *After Khomeini*, p.121, *The Encyclopedia Britannica*, 1995.

<sup>34</sup> The reference was drawn from Rafsanjani's Cabinet which consisted of members whose advanced degrees were obtained from California Universities including Berkeley and Stanford.



female minister, Masoumeh Ebtekar was once the revolutionary spokesperson for the student captors at the U.S. Embassy, and indeed all of the twenty-two ministers have been appointed fresh from prominent positions in Iran's theocratic government.

While no supreme shift in the government's character is apparent from Cabinet appointments, scholars urge caution in hastily dismissing Khatami's commitment to reformation. Ruhi Ramazani, an eminent U.S. academic asserts that the "bottom-up" democratization of Iran is yet likely to yield a moderated theocracy.<sup>35</sup> Though the arrest of prominent liberals associated with him have since justified his earlier caution, Khatami will almost undoubtedly continue the economic reform policies initiated under Rafsanjani. While not dramatically beneficial for the modern middle class, economic liberalization has given way to some level of political gains by the modern middle class, resulting in the election of an administration that promises political liberalization. The shift in emphasis should have ironically enough greater effects on economic restructuring, than had been evidenced when such restructuring was the primary objective. Privatization as envisioned by Rafsanjani cannot be carried out in isolation, and requires an open-ness in the political and social process.

A second and more significant indicator of Iranian socio-political restructuring is the somewhat scant results of the Fifth Islamic *Majlis* elections held during the last two weeks of March 1998. One hundred and eighteen of two hundred and twenty-nine candidate applicants were rejected by the Council of Guardians, and perhaps because there were only five vacant seats in the 270-member parliament, voter turnout was reported very low.<sup>36</sup> In a newly approved simple majority vote, Fatemeh Karrubi, the wife of former Speaker Mehdi Karrubi, and a supporter of Khatami became a record

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<sup>35</sup> Nora Boustany, "Cracking open the door to Dialogue with Iran," *The Washington Post*, February 4, 1998, p.A24.

<sup>36</sup> Deutsche Presse-Agentur, "Number of women in Iranian Parliament reaches 14," *Deutsche Presse-Agentur*, March 18, 1998, International News Section, on Lexis-Nexis.

fourteenth woman parliamentary member.<sup>37</sup> Among the remaining seat-winners was Ali Abbaspur Tehrani Fard, a Ph.D. graduate from Berkeley,<sup>38</sup> and a newcomer on Iran's political scene. The remaining seats went to the conservatives, who while maintaining domination of the *Majlis* continue to lose ground to reform minded Islamists.

Generating much enthusiasm in both the West and at home, the Khatami victory will inevitably fall short of both wishes and expectations. What is important in his victory is the change in "winners and losers" which it may ultimately hasten. A clear symbol of the growing political power of market-driven forces, his victory will enable the continuation of liberalizing economic policies which in turn will yield a more viable business element. Despite presented information which indicates the slow-to-change redistribution of income, liberal economic policies will likely be accompanied by some level of social liberalization. Calls for cultural exchanges with the West while dismissed by Washington, are significant. The "Americanization" of their culture after all, was one of the greatest fears of Iran's leadership. A welcoming of American culture on any level must be viewed as relevant.

The conservative element cannot be dismissed, nor should recent changes be given more credit than they are due. Iranian electoral politics has since Khomeini's death been a power struggle between competing factions of Islamists both dedicated to the revolution's cause.<sup>39</sup> Shifts in the balance of power do not signal the impending collapse of the Iranian theocracy, but a growing pragmatism among the revolution's participants. Even in the Islamic Republic of Iran, ideology is being forced into the backseat of the

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<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> Tarek E. Masoud, p.41.

economic vehicle. Having failed to open markets in a vacuum, Iran is simply being forced to do what it must to survive. In the capitalization of its marketplace lies the inevitable maturing of Iran's modern middle class, and its path into modernity.

## VII. CONCLUSION

This thesis has argued that the Iranian Revolution of 1979 was, rather than the restorative and uniquely Islamic one of some analyses, a modernizing and populist event. It has furthermore hypothesized that rather than a single and independent occurrence, the 1979 revolution was the violent aftershock of a series of attempts by the middle class to increase its influence over an increasingly autonomous state apparatus. The Islamic Revolution then, ultimately represents the path by which the Iranian state could achieve the societal restructuring congruent with its changing mode of production, and as a populist upheaval is likely to culminate in middle class hegemony.

In *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, Barrington Moore Jr. suggested that changes in mode of production represented by a variable capitalization of the economy, inevitably resulted in a corresponding change in the growth of a bourgeoisie. Through an analysis of modernization as executed in six distinct cases, Moore theorized that the relationship between the bourgeoisie and the landed elite in each case led to one of three distinct orientations of social upheaval, finally resulting in a corresponding economic-political system. The growth of a bourgeoisie and its relationships with other social classes becomes a significant contributing factor in determining the path of each state's modernization.

Through an application of Moore to the Iranian case, this analysis has suggested that changes in the mode of production and corresponding degree of industrialization in the first half of the twentieth century resulted in the creation of a significant Iranian modern middle class. As the most assertive actor in Iranian politics, the modern middle class orchestrated a series of reconstructive events beginning with the Constitutional Revolution of 1906, continuing with the growth of the Tudeh and Nationalist movements,

and culminating with the 1979 revolution. In each case, the modern middle class was forced to ally itself with other actors in order to carry out its objectives. The natural allegiance between the modern middle and traditional middle classes was further influenced by the long-established link between the clerical elite and traditional middle class elements. Through this link, the clerical elite (while historically politically inactive) was able to direct the more dominant traditional element toward its own objectives. Shifting intra-class configurations enabled a dominant modern middle class to rise to near-hegemony in the nationalist period of the 1950s. Undone (as it had been in 1906) by foreign intervention, the modern element was promptly decimated by an externally supported state apparatus.

Continuing industrialization and creation of a new elite base allowed a compression of the landed elite into Iran's growing middle class in the 1960s, resulting in the 1979 revolutionary movement of the greater middle class. Influenced as it was by an element of the defunct landed elite, the revolution resulted less in a new power sharing arrangement for the middle class than in a shift in power from the state-constructed elite, to the new (and old) clerical elite. The underlying populist nature of Iran's revolution did produce a renewed emphasis on the rights and requirements of the middle class, and thereby provided continued economic growth for the modern element.

Following the death of Ayatollah Khomeini, the middle class, strengthened by an increasing state emphasis on economic reformation was able to expand its political influence through parliamentary and presidential representation. The increasingly technocratic leadership represented in the 3rd, 4th and 5th Majlis elections, coupled with the recent election of Mohammad Khatami in May indicate a middle class attempting to expand its influence to match its viability.

The resurgence of the Iranian middle class represents among other things, a criticism of a political Islam, and a realization by that economically oriented class that



Islam brought with it “no concrete political, let alone economic model.”<sup>1</sup> That the revolution, which merely “Islamized” the already present structures of government and replaced the existing political elite, represented not a solution but an opportunity. By moving toward a correction of the state-society relationship and furthering the economic interests of the greater middle class, the Iranian Revolution of 1979 has represented an opening for modern middle class political advance.

If it can be accepted that the structural analysis of Barrington Moore has been successfully applied in this ongoing case (whether one subscribes to his theory or not), then this thesis was successful in its primary objective. The implications of this success are for a broadening of understanding of not merely the Iranian developmental case, but of development in regions previously regarded as “exceptional” to universal theoretical application. Despite valid and legitimate cultural claims, Iran in particular, and the Middle East in general can then be assumed to have developed in accordance with accepted theories of modernization. That being said, the academic dispute should focus on the validity of competing developmental theories rather than on the uniqueness and inapplicability of any given region. Analyses of other cases in the Middle East should be attempted in order to lend greater validation not only to the structural theory, but to contributing determinate factors including rentier economics, and foreign interventions.

Finally, it is for another to analyze the effects of U.S. political and economic policy on various strata of society in a given case. Modernization theory suggests a direct link between economic and political liberalization; it is enough to conclude from Moore’s theory that economic liberalization leads to the increasing development of the modern middle class, which in accordance with their economic interests tend toward democratization. One may then assume that an analysis of the effects of containment on

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<sup>1</sup> Olivier Roy, *The Failure of Political Islam*, (Harvard University Press, Massachusetts, 1994), p.195.

the modern middle class would be a key indicator for future development in any specific case.

The echoes of a long forgotten revolution grow more and more quiet, yet the political aspirations of societal classes central to that first revolution in 1906, remain no less so today. Thwarted by foreign intervention, deep traditional factionalism, and a state dominated economy which favors the status quo, Iran's modern middle class has yet another opportunity. This thesis has suggested that the modern middle class will emerge politically dominant. That this emergence may take decades is of little significance. That the modern middle class will "evolve" into power, that the Iranian Revolution of 1979 concludes not with a bang, but with a whimper is of even less. That the echoes of a century of revolution will be silenced is all that is important.

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